

THE ASSOCIATION OF  
COMMUNITY EMPLOYMENT PROGRAMS  
FOR THE HOMELESS AND ITS AFFILIATES  
THE SOHO AND TRIBECA PARTNERSHIPS  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010

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ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS AND ITS AFFILIATES,  
THE SOHO AND TRIBECA PARTNERSHIPS  
DECEMBER 31, 2010

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# THOMAS M. LUCARDI

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## INDEPENDENT AUDITOR'S REPORT

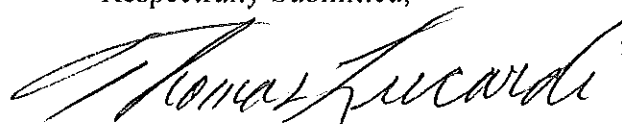
To The Board Of Directors  
Association Of Community Employment Programs  
For the Homeless, Inc. (A.C.E.) and its Affiliates,  
The SoHo and Tribeca Partnerships.

I have audited the accompanying Statement of financial position of Association Of Community employment Programs For the Homeless, Inc. (A.C.E.) and The Soho and Tribeca Partnerships, a group of not-for-profit organizations, as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Association Of Community Employment Programs For the Homeless, Inc. (A.C.E.) and the Soho and Tribeca Partnerships. My responsibility is to express an opinion on these financial statements based on an audit.

The audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurances about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe the audit provides a reasonable basis for an opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Association Of Community Employment Programs For the Homeless, Inc. (A.C.E.) and The Soho and Tribeca Partnerships, a group of not-for-profit organizations at December 31, 2010, and the results of its activities and its cash flow for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Respectfully Submitted,

  
CERTIFIED PUBLIC ACCOUNTANT

Bardonia, New York  
May 9, 2011

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2010

ASSETS

Cash in bank	\$ 165,512
Prepaid expenses - insurance	12,565
Receivable	18,619
Deposits - Security	43,896
Leasehold improvements (net of depreciation of \$9458)	92,873
Other assets	<u>3,895</u>
 TOTAL ASSETS	 \$ <u><u>337,360</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts and accrued expenses payable	\$ <u>32,632</u>
 Total liabilities	 <u>32,632</u>

Net assets:

Unrestricted	<u>304,728</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>337,360</u></u>

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010

CHANGES IN UNRESTRICTED NET ASSETS:

Unrestricted Revenue and support:

Contributions	\$ 428,396
Publication Income	156,752
Special Events (net of direct costs of \$ 359,323 )	535,191
Foundations	600,000
Grants	67,400
Administrative Income	7,228
Use Your Head Income (Store)	133,877
Program Income	103,056
Interest Income	<u>267</u>
<b>TOTAL UNRESTRICTED REVENUE AND SUPPORT</b>	<b>\$ <u>2,032,167</u></b>

Expenses:

Program Services	1,308,118
Management and General	154,338
Fundraising	<u>521,739</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,984,195</u></b>

DECREASE IN UNRESTRICTED NET ASSETS 47,972

Unrestricted Net Assets - January 1, 2010 256,756

Unrestricted Net Assets - December 31, 2010 \$ 304,728

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities:

Changes in Net Assets \$ 47,972

Adjustments to reconcile changes in net assets to  
net cash provided by operating activities

Depreciation	\$	6,417
Increase in prepaid expenses		(4,867)
Increase in receivable		21,918
Increase in Other Assets		-
Decrease in accrued expenses		(29,849)
Increase in fixed assets		(18,388)
Decrease in Deposits		<u>40,355</u>

Net adjustments 15,586

Net cash provided by operating activities 63,558

Net increase in cash and cash equivalents 63,558

Cash and cash equivalents - January 1, 2010 101,954

Cash and cash equivalents - December 31, 2010 \$ 165,512

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Total</u>	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>
Compensation and benefits	\$ 1,011,694	\$ 558,092	\$ 337,667	\$ 115,935
Professional fees	51,545	5,282	32,540	13,721
Insurance	37,557	27,695	4,931	4,931
Office expense	74,130	49,898	13,063	11,170
Payments to program Participants	331,516	331,516	-	-
Rent	197,416	157,933	19,742	19,741
Telephone and Utilities	14,180	11,396	1,392	1,392
Supplies and Uniforms	117,623	102,903	9,133	5,587
Charitable Contributions - Note #5	-			
Promotional and advertising	142,137	53,606	79,214	9,317
Travel and entertainment	12,874	3,364	9,260	250
Depreciation	6,417	-	-	6,417
Theft Loss - Note #8	(38,302)			(38,302)
Other expenses	<u>25,408</u>	<u>6,433</u>	<u>14,797</u>	<u>4,179</u>
Total expenses reported by function on the statement of activities	<u>\$ 1,984,195</u>	<u>\$ 1,308,118</u>	<u>\$ 521,739</u>	<u>\$ 154,338</u>

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS AND ITS AFFILIATES,  
THE SOHO AND TRIBECA PARTNERSHIPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

NOTE 1. ORGANIZATIONS AND PURPOSE:

Association of Community Employment Programs For The Homeless and its Affiliates, The Soho and Tribeca Partnerships, is a New York not-for-profit organization which began operations in July 1996. The organization and its Affiliates are dedicated to offering job training, job placement, and job retention services to recovering homeless individuals. As of December 31, 2010 the names and entities of SoHo Partnership and TriBeca Partnership will no longer exist.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES:

The financial statements are presented on the accrual basis of accounting. They follow SFAS-117, Financial Statement of Not-for-Profit Organizations.

Cash and cash equivalents include money market funds, which invest in United States Treasury Securities that have a value of \$1 per share held

Contributions are recognized as revenue when they are irrevocably offered. Sales of donated property made during special events are recognized as program income equal to the amount received.

NOTE 3. INCOME TAXES:

Association of Community Employment Programs For The Homeless and its Affiliates, The Soho and Tribeca Partnerships qualifies as a not –for –profit organization under Internal Revenue Code Section 501© (3). As such, they are not subject to federal income taxes.

NOTE 4. RECEIVABLE FROM AFILIATES:

There are no receivables from affiliates as of December 31, 2010.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS AND ITS AFFILIATES,  
THE SOHO AND TRIBECA PARTNERSHIPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

NOTE 5. CHARITABLE CONTRIBUTIONS :

ACE Programs For The Homeless contributes a portion of funds raised to the TriBeca and SoHo Partnerships. These affiliated organizations work with ACE to fulfill their mission of job placement for the homeless.

NOTE 6. NON-MONETARY TRANSACTIONS:

A number of unpaid volunteers have made contributions of their time to develop the organization and it's programs. The value of such contributed time is not reflected in these statements since it did not create or enhance non-financial assets or require specialized skills

NOTE 7. COMMITMENTS AND CONTINGENCIES:

The organization is committed to one office lease. There is a cancelable lease that expires December 31, 2019 for the location at 598 Broadway, New York City. The future minimum rental commitments before escalations are as follows:

<u>Year Ending</u>	<u>Amount</u>	<u>Year Ending</u>	<u>Amount</u>
December 31, 2010	\$180,000	2015	\$195,104.00
December 31, 2011	180,000	2016	202,908.16
December 31, 2012	187,200	2017	202,908.16
December 31, 2013	187,200	2018	211,124.48
December 31, 2014	195,104	2019	<u>211,124.48</u>
		TOTAL \$ <u>1,952,673.28</u>	

Included in the lease agreement are rent escalations and additional charges (i.e. utility and real estate taxes). As of December 31, 2010 there is a security deposit of \$45,000 which is reflected in the statement of financial position. The lease is also guaranteed by the founding member of this organization.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS AND ITS AFFILIATES,  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 8. LOSS FROM THEFT:

The organization uncovered a theft of assets in 2008. The theft was uncovered when the organization implemented stronger internal controls. There has been an ongoing process to prosecute the person responsible within the organization and have the losses returned. As of December 3, 2010 the organization got a check for \$38,302 representing a return of that theft.

Note 9. FUND RAISING ACTIVITIES :

In July of 2009 the organization opened a Second Hand store. It is located at 262 Mott Street, New York City, NY 10012. The store is open six days a week from 11AM to 7PM. The store sells pre-owned designer and high end donated clothes. The store is rented from Jocar Realty for \$5264 per month, and there is a \$12,450 rental deposit.

Note 10 CONSOLIDATED FINANCIAL STATEMENTS :

Comparative Consolidated Audited Financial Statements have been presented for the past three years, subsequent to these footnotes. They are mainly for information purposes.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash in bank	\$ 165,512	\$ 101,954	\$ 1,193,705
Prepaid expenses - insurance	12,565	7,697	4,195
Receivable	18,619	40,537	35,196
Deposits - Security	43,896	84,251	25,411
Leasehold improvements (net of depreciation )	92,873	80,903	2,116
Other assets	<u>3,895</u>	<u>3,895</u>	<u>3,895</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>337,360</u></b>	<b>\$ <u>319,237</u></b>	<b>\$ <u>1,264,518</u></b>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Accounts and accrued expenses payable	\$ <u>32,632</u>	\$ <u>62,481</u>	\$ <u>63,844</u>
Total liabilities	<u>32,632</u>	<u>62,481</u>	<u>63,844</u>
Net assets:			
Unrestricted	<u>304,728</u>	<u>256,756</u>	<u>1,200,674</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>337,360</u></b>	<b>\$ <u>319,237</u></b>	<b>\$ <u>1,264,518</u></b>

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31

CHANGES IN UNRESTRICTED NET ASSETS:	<u>2010</u>	<u>2009</u>	<u>2008</u>
Unrestricted Revenue and support:			
Contributions	\$ 428,396	\$ 622,944	\$ 766,155
Publication Income	156,752	64,427	91,638
Special Events (net of direct costs of \$ various )	535,191	343,044	1,053,437
Foundations	600,000	29,444	1,075,000
Grants	67,400	91,000	73,500
Administrative Income	7,228	2,960	433
Use Your Head Income (Store)	133,877	63,472	-
Program Income	103,056	18,480	25,873
Interest Income	267	48,622	17,356
	<u>2,032,167</u>	<u>1,284,393</u>	<u>3,103,392</u>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	\$ 2,032,167	\$ 1,284,393	\$ 3,103,392
Expenses:			
Program Services	1,308,118	1,370,996	1,436,474
Management and General	154,338	319,325	253,517
Fundraising	521,739	537,990	683,596
	<u>1,984,195</u>	<u>2,228,311</u>	<u>2,373,587</u>
TOTAL EXPENSES	1,984,195	2,228,311	2,373,587
 INCREASE OR (DECREASE) IN UNRESTRICTED NET ASSETS	 47,972	 (943,918)	 729,805
 Unrestricted Net Assets - January 1,	 <u>256,756</u>	 <u>1,200,674</u>	 <u>470,869</u>
Unrestricted Net Assets - December 31,	\$ <u>304,728</u>	\$ <u>256,756</u>	\$ <u>1,200,674</u>

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31

Cash flows from operating activities:	<u>2010</u>	<u>2,009</u>	<u>2008</u>
Changes in Net Assets	\$ 47,972	\$ (943,918)	\$ 729,805
Adjustments to reconcile changes in net assets to net cash provided by operating activities			
Depreciation	\$ 6,417	\$ 3,041	\$ 8,703
Increase in prepaid expenses	(4,868)	(3,502)	(704)
Increase in receivable	21,919	(5,342)	(27,286)
Increase in Other Assets	-	-	100,905
Decrease in accrued expenses	(29,849)	(1,363)	17,710
Increase in fixed assets	(18,388)	(81,828)	(1,624)
Decrease in Deposits	<u>40,355</u>	<u>(58,840)</u>	<u>(114,500)</u>
Net adjustments	15,586	(147,834)	(16,796)
Net cash provided by operating activities	<u>63,558</u>	<u>(1,091,752)</u>	<u>713,009</u>
Net increase in cash and cash equivalents	63,558	(1,091,752)	713,009
Cash and cash equivalents - January 1	<u>101,954</u>	<u>1,193,706</u>	<u>480,696</u>
Cash and cash equivalents - December 31	<u>\$ 165,512</u>	<u>\$ 101,954</u>	<u>\$ 1,193,705</u>

The accompanying notes are an integral part of these financial statements.

THE ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE  
HOMELESS AND ITS AFFILIATES, THE SOHO AND TRIBECA PARTNERSHIPS  
STATEMENT OF FUNCTIONAL EXPENSES

	<u>2010</u>			
	<u>Total</u>	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>
Compensation and benefits	\$ 1,011,694	\$ 558,092	\$ 337,667	\$ 115,935
Professional fees	51,545	5,282	32,540	13,721
Insurance	37,557	27,695	4,931	4,931
Office expense	74,130	49,898	13,063	11,170
Payments to program Participants	331,516	331,516	-	-
Rent	197,416	157,933	19,742	19,741
Telephone and Utilities	14,180	11,396	1,392	1,392
Supplies and Uniforms	117,623	102,903	9,133	5,587
Charitable Contributions - Note #5	-	-	-	-
Promotional and advertising	142,137	53,606	79,214	9,317
Travel and entertainment	12,874	3,364	9,260	250
Depreciation	6,417	-	-	6,417
Theft Loss - Note #8	(38,302)	-	-	(38,302)
Other expenses	<u>25,408</u>	<u>6,433</u>	<u>14,797</u>	<u>4,179</u>
Total expenses reported by function on the statement of activities	<u>\$ 1,984,195</u>	<u>\$ 1,308,118</u>	<u>\$ 521,739</u>	<u>\$ 154,338</u>
	1,984,195			

	<u>2009</u>			
	<u>Total</u>	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>
Compensation and benefits	\$ 1,206,726	\$ 652,522	\$ 380,468	\$ 173,736
Professional fees	96,177	29,256	33,576	33,345
Insurance	28,998	12,647	-	16,351
Office expense	117,604	86,744	17,796	13,064
Payments to program Participants	338,217	338,217	-	-
Rent	155,235	80,118	37,257	37,860
Telephone and Utilities	43,213	22,592	6,163	14,458
Supplies and Uniforms	81,003	74,829	3,399	2,775
Charitable Contributions - Note #	-	-	-	-
Promotional and advertising	58,245	-	45,745	12,500
Travel and entertainment	8,974	6,423	1,306	1,245
Depreciation	3,041	-	-	3,041
Theft Loss - Note #	-	-	-	-
Other expenses	<u>90,878</u>	<u>67,648</u>	<u>12,280</u>	<u>10,950</u>
Total expenses reported by function on the statement of activities	<u>\$ 2,228,311</u>	<u>\$ 1,370,996</u>	<u>\$ 537,990</u>	<u>\$ 319,325</u>
	2,228,311			

	<u>2008</u>			
	<u>Total</u>	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>
Compensation and benefits	\$ 1,188,360	\$ 642,482	\$ 456,039	\$ 89,839
Professional fees	163,625	13,524	# 108,296	41,805
Insurance	31,211	17,924	6,644	6,643
Office expense	182,528	140,092	21,218	21,218
Payments to program Participants	297,871	297,871	-	-
Rent	148,028	116,464	15,782	15,782
Telephone and Utilities	21,431	16,073	2,679	2,679
Supplies and Uniforms	137,499	137,499	-	-
Charitable Contributions - Note #	-	-	-	-
Promotional and advertising	86,422	34,198	52,224	-
Travel and entertainment	23,308	1,855	5,697	15,756
Depreciation	8,703	-	-	8,703
Theft Loss - Note #	41,476	-	-	41,476
Other expenses	<u>43,125</u>	<u>18,492</u>	<u>15,017</u>	<u>9,616</u>
Total expenses reported by function on the statement of activities	<u>\$ 2,373,587</u>	<u>\$ 1,436,474</u>	<u>\$ 683,596</u>	<u>\$ 253,517</u>
	2,373,587			

The accompanying notes are an integral part of these financial statements.