

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association of Community Employment Programs
for the Homeless, Inc.
New York, New York

We have audited the accompanying statements of financial position of Association of Community Employment Programs for the Homeless, Inc. (the "Organization") as of December 31, 2011 and the related statements of activities, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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. We believe that our audit provides a reasonable basis for our opinion.

In our 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., as of December 31, 2011 and the results of its activities, changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Berkow, Schechter & Company LLP

Stamford, Connecticut
June 29, 2012

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS:

Cash	\$ 156,849
Accounts receivable	9,153
Prepaid expense	35,000
Total Current Assets	201,002

FIXED ASSETS:

Furniture, fixtures and equipment	21,428
Leasehold improvements	80,903
Less: accumulated depreciation	(21,440)
Fixed Assets	80,891

Security deposit	30,000
TOTAL ASSETS	\$ 311,893

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 84,702
Total Current Liabilities	84,702
Total Liabilities	84,702

Net assets, unrestricted	227,191
TOTAL LIABILITIES AND NET ASSETS	\$ 311,893

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES, GAINS AND OTHER SUPPORT	
Gifts and grants	\$ 1,331,453
Program service revenue	121,739
Special events	586,956
Less: direct expenses	<u>(164,294)</u>
Special events, net	422,662
Thrift shop sales	90,114
Less: direct expenses	<u>(73,677)</u>
Thrift shop, net	16,437
Total Revenues, Gains and Other Support	<u>1,892,291</u>
EXPENSES	
Program services	1,175,615
Management and general	242,166
Fundraising	552,047
Total Expenses	<u>1,969,828</u>
CHANGE IN NET ASSETS	<u>\$ (77,537)</u>
Net assets, December 31, 2010	<u>304,728</u>
Net assets, December 31, 2011	<u>\$ 227,191</u>

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (77,537)
Non-cash expense:	
Depreciation and amortization	11,982
Increase / (Decrease) in cash due to change in:	
Accounts receivable and prepaid expenses	(12,969)
Lease security deposit and other assets	17,791
Accounts payable and accrued expenses	<u>52,070</u>
Net Cash Used By Operating Activities	<u>(8,663)</u>
 DECREASE IN CASH	 (8,663)
 Cash and Cash Equivalents, Beginning of Year	 <u>165,512</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 156,849</u></u>

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Association of Community Employment Programs for the Homeless, Inc. (the "Organization") is a New York not-for-profit organization formed in 1995 with operations commencing in 1996. The Organization works annually with nearly four hundred homeless men and women throughout New York City providing an initial four to six month intensive job training program, real time work experience, job readiness workshops, one-on-one counseling and comprehensive assistance in the areas of housing, substance abuse, mental health and careers. Thereafter, the Organization provides a lifetime support network to continue to help both current and former program participants achieve their goals of economic independence with continued counseling in all facets, including a new rental subsidy program.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. They follow SFAS-117, Financial Statements of Not-for-Profit Organizations.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are reported at the amount of outstanding invoices with local business entities for the program service revenue derived from cleaning and sanitation services provided by the participants. If necessary, minor balances are written off through charges against program service revenue, but only after management has exhausted reasonable and legal collection efforts.

Prepaid and Other Expenses

Expenses are recognized as incurred while material prepaid items are capitalized. The prepaid expense contained in these financial statements relates to the advance payment on contract of a base fee with an outside professional fundraiser for the next year's gala event. The agreement calls for the additional fees based upon declining percentages ranging from 17.5% to 12.5% as assessed against increasing levels of the 2012 gala event income.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Furniture, fixtures and leasehold improvements are listed at cost and depreciated on a straight line basis over their useful lives or remaining terms of their leases.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - TAX STATUS

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and has no provision for federal income taxes.

NOTE 3 – RELATED PARTY

The founder and two directors of the Organization are also the directors of Association of Charles Evans Housing Foundation ("Housing"). Housing is the Organization's largest benefactor and also shares operational resources with the Organization. Specifically, the Organization received \$672,863 of contributions from Housing in 2011 along with \$48,000 of sub-lease payments and \$85,454 of reimbursements for administrative expenses.

ASSOCIATION OF COMMUNITY EMPLOYMENT
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - COMMITMENTS

The Organization has a ten year lease ending December 31, 2019 for the entire seventh floor of 598 Broadway including minor basement storage space. The lease calls for payments as follows:

<u>Year</u>	<u>Rent</u>	<u>Utilities</u>	<u>Total</u>
2012	\$187,200	\$5,616	\$192,816
2013	187,200	5,616	192,816
2014	195,104	5,832	200,936
2015	195,104	5,832	200,936
2016	202,908	6,048	208,956
Thereafter	<u>625,156</u>	<u>18,576</u>	<u>643,732</u>
Total	<u>\$1,592,672</u>	<u>\$47,520</u>	<u>\$1,640,192</u>

The lease also includes a provision covering increases in New York City real estate taxes. The Organization must pay eight percent of any real estate tax increases over the base rate as of June 30, 2010. Rent expense for 2011 includes \$7,106 under this provision.

The lease requires a security deposit equal to two months of the annual base rent. As a result, the Organization will be required to make future additional security deposit payments totaling \$5,186 of the term of the lease.

The lease is guaranteed by the Organization's founder.

NOTE 5 – DISCONTINUED ACTIVITY

As of September 30, 2011, the Organization closed its thrift shop located at 262 Mott Street, New York City.

NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 29, 2012, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through June 29, 2012 that would require adjustment or disclosure in the financial statements.

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2011

EXPENSE	Total	Program Services	Management & General	Fundraising
Wages	\$ 774,283	\$ 417,927	\$ 148,753	\$ 207,603
Participant stipends	214,864	214,864	-	-
Rent	181,237	144,989	18,124	18,124
Printing and publications	144,100	1,183	-	142,917
Employee benefits	100,107	54,034	19,232	26,841
Payroll taxes	81,806	44,156	15,716	21,934
Participant supplies	76,641	76,641	-	-
Insurance	56,420	27,002	13,202	16,216
Participant incentives	48,845	48,845	-	-
BID service expenses	32,678	32,678	-	-
Website and technology	25,833	15,500	5,166	5,167
Equipment rental and maintenance	25,112	6,278	-	18,834
Meetings	23,830	-	-	23,830
Accounting	22,000	7,348	7,326	7,326
Participant uniforms	19,887	19,887	-	-
Small events	18,250	-	-	18,250
Office supplies and expense	17,011	8,505	4,253	4,253
Participant meals and other	16,119	16,119	-	-
Participant compliance	15,087	15,087	-	-
Postage and shipping	13,383	4,015	-	9,368
Depreciation	11,982	4,002	3,990	3,990
Development consultants	10,750	-	-	10,750
Telephone	8,940	2,986	2,977	2,977
Program publications	7,713	7,713	-	-
Credit card fees	7,132	-	-	7,132
Copier rental and maintenance	6,970	3,484	1,743	1,743
Local travel	4,744	2,372	-	2,372
Recruitment expense	2,420	-	-	2,420
Bank charges	1,409	-	1,409	-
New York Charities Bureau	275	-	275	-
TOTAL EXPENSES	<u>\$ 1,969,828</u>	<u>\$ 1,175,615</u>	<u>\$ 242,166</u>	<u>\$ 552,047</u>