ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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FOR THE YEAR ENDED DECEMBER 31, 2015

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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 financial statements of Association of Community Employment Programs for the Homeless, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 and changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the Statement of Expenses by Function is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures to test the completeness and accuracy of the supplementary information presented. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Berkow, Schechter & Company LLP

Stamford, Connecticut
June 9, 2016

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS	
CURRENT ASSETS:	
Cash	$ 99,506
Accounts receivable (net of $5,771 allowance for doubtful accounts)	315,130
Prepaid expenses	6,238
Total Current Assets	420,874
FIXED ASSETS:	
Furniture, fixtures and equipment	92,821
Leasehold improvements	80,903
Less: accumulated depreciation	(88,224)
Fixed Assets, Net	85,500
Security deposit	30,000
TOTAL ASSETS	$ 536,374
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 37,333
Total Current Liabilities	37,333
Total Liabilities	37,333
Net assets, unrestricted	499,041
TOTAL LIABILITIES AND NET ASSETS	$ 536,374

See independent auditor's report and notes to financial statements.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES, GAINS AND OTHER SUPPORT		
Gifts and grants		$ 1,639,062
Program service revenue:		
Project Stay	1,415,853	
Project Comeback	55,066	
Total program service revenue		1,470,919
Special events	604,411	
Less: direct expenses	(107,357)	
Special events, net		497,054
Total Revenues, Gains and Other Support		3,607,035
EXPENSES		
Program services		2,730,748
Management and general		213,802
Fundraising		455,517
Total Expenses		3,400,067
CHANGE IN NET ASSETS		$ 206,968
Net assets, December 31, 2014		292,073
Net assets, December 31, 2015		$ 499,041

See independent auditor's report and notes to financial statements.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 206,968
Non-cash expense:	
Depreciation	22,161
Increase / (Decrease) in cash due to change in:	
Accounts receivable and prepaid expenses	(290,597)
Accounts payable and accrued expenses	29,131
Net Cash Used In Operating Activities and Decrease In Cash	(32,337)
Cash, Beginning of Year	131,843
CASH, END OF YEAR	$ 99,506

See independent auditor's report and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The 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 five hundred homeless men and women throughout New York City providing an initial four to six month intensive job training program consisting of real time work experience, job readiness workshops, one-on-one counseling, adult education, industry specific certifications and job placement assistance. 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, as well as college scholarships and a new rental subsidy program.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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, sanitation and horticultural 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue Recognition

The Organization has contracts with a local government agency that require payment at the end of the agency's June 30, 2016 fiscal year end. Revenue related to these contracts has been recognized based on an estimate of the percentage of the contracted services provided as of December 31, 2015.

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 is not subject to federal income taxes.

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2015, the Organization does not believe that it has taken any positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. As of December 31, 2015, tax years dating back to 2012 remain open for examination by both federal and state taxing authorities.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are insured up to $250,000 by the Federal Deposit Insurance Corporation (the "FDIC"). At times the Organization's cash balances exceed the FDIC limit and as a result, the excess amount is not insured by the FDIC.

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:

Year	Rent	Utilities	Total
2016	202,908	6,048	208,956
2017	202,908	6,048	208,956
2018	211,124	6,264	217,388
2019	211,124	6,264	217,388
Total	$828,064	$24,624	$852,688

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 2015 includes $30,391 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 over the term of the lease.

The lease is guaranteed by the Organization's founder.

NOTE 6 - RELATED PARTY

The founder and a director of the Organization are also directors of Buhl Foundation, Inc. and Association of Charles Evans Housing Foundation which are the Organization's largest benefactors making contributions to the Organization of $403,050 and 325,720, respectively in 2015.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 9, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through June 9, 2016 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, 2015

EXPENSE	Total	Program Services				Management & General	Fundraising
		Project Comeback	Project Stay	Project Home	Total Programs		
Wages	$ 917,596	$ 341,020	$ 308,050	$ -	$ 649,070	$ 104,559	$ 163,967
Participant wages	648,250	-	648,250	-	648,250	-	-
Participant stipends	531,798	474,592	57,206	-	531,798	-	-
Rent	254,941	178,459	25,494	-	203,953	25,494	25,494
Payroll taxes	160,203	64,151	68,855	-	133,006	5,848	21,349
Insurance	158,108	66,494	66,494	-	132,988	15,186	9,934
Employee benefits	108,624	59,086	-	-	59,086	21,140	28,398
Participant transportation and education	68,476	61,628	6,848	-	68,476	-	-
Fundraising	65,000	-	-	-	-	-	65,000
Remote storage expenses and supplies	63,885	-	63,885	-	63,885	-	-
Sanitation supplies	51,235	40,988	10,247	-	51,235	-	-
Office supplies and expense	32,690	15,105	2,931	-	18,036	7,327	7,327
Payroll processing	31,977	12,791	12,791	-	25,582	1,279	5,116
Printing and publications	30,446	-	-	-	-	1,691	28,755
Blackbaud maintenance	23,931	-	-	-	-	5,983	17,948
Lease rental subsidy	22,754	-	-	22,754	22,754	-	-
Participant meals and other	22,388	22,388	-	-	22,388	-	-
Depreciation	22,160	5,540	2,216	-	7,756	8,864	5,540
Participant compliance	19,406	19,406	-	-	19,406	-	-
Business meetings	18,145	3,629	-	-	3,629	-	14,516
Development consultants	17,050	-	-	-	-	-	17,050
Direct mail publications	17,046	2,557	-	-	2,557	-	14,489
Participant uniforms	14,873	5,949	8,924	-	14,873	-	-
Communication expense	13,980	5,592	1,398	-	6,990	3,495	3,495
Truck operating expense	12,796	-	12,796	-	12,796	-	-
Planter expense	11,757	11,757	-	-	11,757	-	-
Website and technology	10,796	5,398	1,080	-	6,478	2,159	2,159
Copier rental and maintenance	10,397	-	1,040	-	1,040	7,278	2,079
Credit card fees	10,286	-	-	-	-	-	10,286
Accounting	10,000	3,000	2,500	-	5,500	2,500	2,000
Dues and subscriptions	7,277	728	-	-	728	-	6,549
Postage and shipping	5,809	1,743	-	-	1,743	-	4,066
Bank charges and miscellaneous	4,362	3,488	-	-	3,488	874	-
Temporary help	1,500	1,500	-	-	1,500	-	-
New York Charities Bureau	125	-	-	-	-	125	-
TOTAL EXPENSES	$3,400,067	$ 1,406,989	$ 1,301,005	$ 22,754	$ 2,730,748	$ 213,802	$ 455,517

See independent auditor's report and notes to financial statements.