YORK COLLEGE CHILD AND
FAMILY CENTER, INC.

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

YORK COLLEGE CHILD AND FAMILY CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
York College Child and Family Center, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of York College Child and Family Center, Inc. (the Center) as of and for the years ended June 30, 2020 and 2019, and related notes to financial statements, which collectively comprise the Center's financial statements as listed in the table of contents.

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 audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the 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 Center'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 Center'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 net position of York College Child and Family Center, Inc. as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 25, 2020

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of York College Child and Family Center, Inc.'s (the Center) net position as of June 30, 2020, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Center's net position decreased by $77,379 or 13%.
- The Center's revenue decreased by $1,709 or 1%.
- The Center's expenses increased by $42,306 or 4%.

Financial Position

The Center's net position, the difference between assets and liabilities, is one way to measure the Center's financial health or financial position. Over time, increases and decreases in the Center's net position is one indicator of whether its financial health is improving.

Statements of Net Position

The following summarizes the Center's assets, liabilities and net position as of June 30, 2020 and 2019, under the accrual basis of accounting:

	2020	2019	Dollar change	Percent change
Assets:				
Cash and equivalents	$ 387,820	355,709	32,111	9%
Accounts receivable and prepaid expenses	134,104	243,153	(109,049)	(45%)
Total assets	521,924	598,862	(76,938)	(13%)
Liabilities	1,094	653	441	68%
Unrestricted net position	$ 520,830	598,209	(77,379)	(13%)

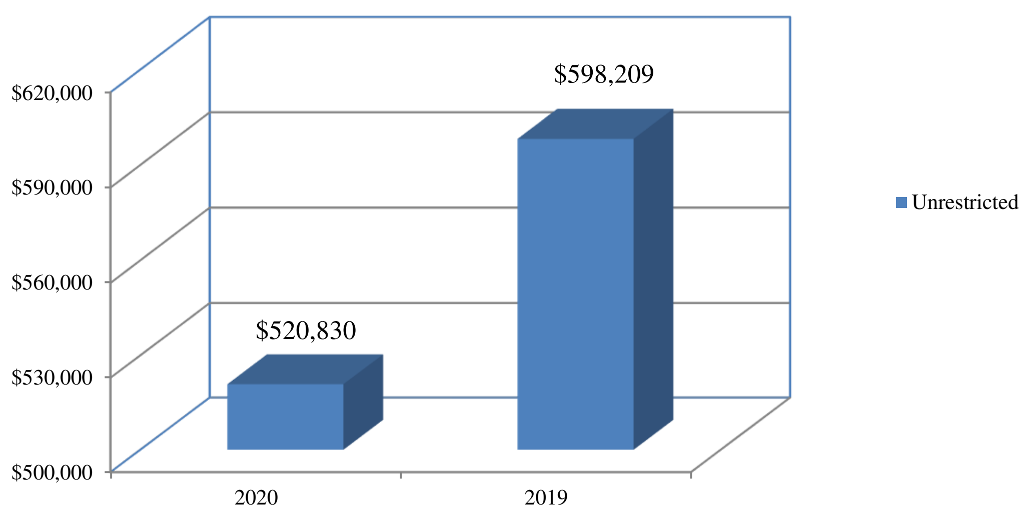
At June 30, 2020, the Center's assets decreased by $76,938 or 13%, compared to the previous year. The majority of this variance is due to a decrease of $109,049 in accounts receivable and prepaid expenses primarily due to the Center's closure in the spring semester due to COVID-19.

The Center's total current liabilities increased by $441 or 68%, compared to the previous year. This variance was attributable primarily to funds held for New York City.

There were no other significant or unexpected changes in the Center's assets and liabilities.

The following illustrates the Center's net position at June 30, 2020 and 2019 by category:

Net Position



Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Center, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2020 and 2019 are as follows:

Revenue

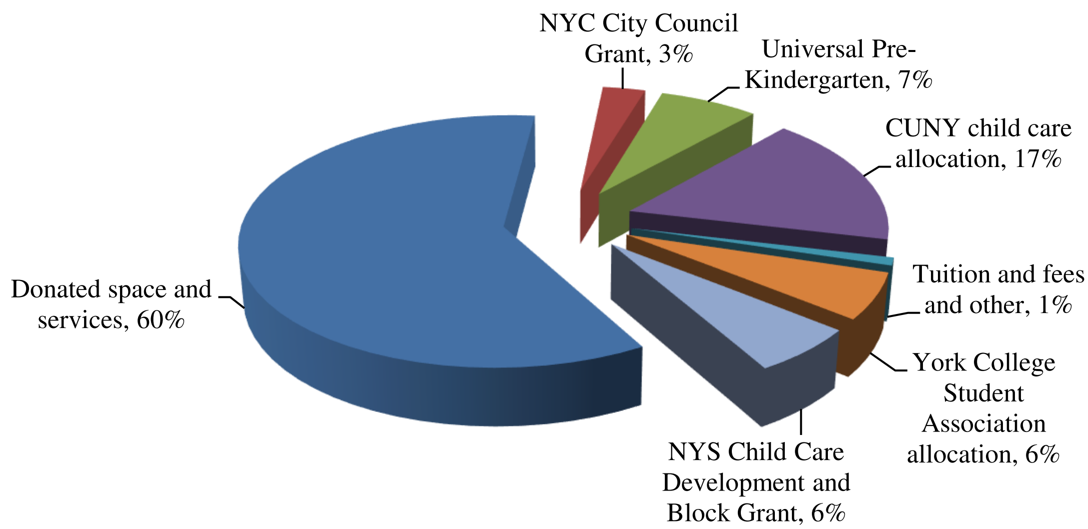
	2020	2019	Dollar change	Percent change
Revenue:				
Donated space and services	$ 555,177	507,808	47,369	9%
CUNY child care allocation	165,453	165,453	-	-
York College Student Association allocation	54,621	64,305	(9,684)	(15%)
Tuition and fees	6,305	16,121	(9,816)	(61%)
NYC City Council Grant	26,126	26,126	-	-
NYS Child Care Development and Block Grant	53,020	42,064	10,956	26%
Universal Pre-Kindergarten	70,840	111,320	(40,480)	(36%)
Other	702	756	(54)	(7%)
Total revenue	$ 932,244	933,953	(1,709)	(1%)

The Center's total revenue for the year ended June 30, 2020 amounted to $932,244, a decrease of $1,709 or 1%, compared to the previous year. Donated services increased by $47,369 or 9% due to changes in personnel and a market rate increase for space usage. This increase was offset by a decrease in Universal Pre-Kindergarten of $40,480 or 36% due to a decrease in enrollment.

There were no other significant or unexpected changes in the Center's revenue.

The following illustrates the Center's revenue, by source, for the year ended June 30, 2020:

Revenue by Source



Expenses

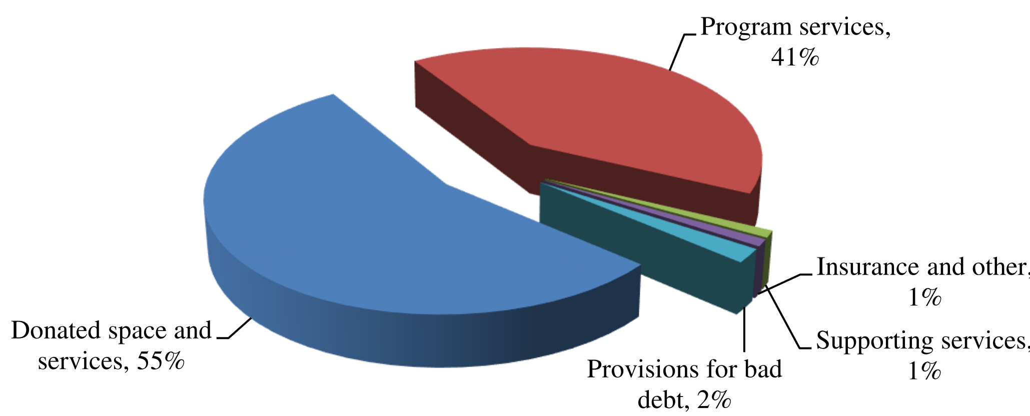
	2020	2019	Dollar change	Percent change
Expenses:				
Donated space and services	$ 555,177	507,808	47,369	9%
Program services	409,636	435,885	(26,249)	(6%)
Supporting services	13,957	19,033	(5,076)	(27%)
Insurance	4,307	4,436	(129)	(3%)
Provision for bad debt	26,397	-	26,397	100%
Other	149	155	(6)	(4%)
Total expenses	$ 1,009,623	967,317	42,306	4%

Total expenses for the year ended June 30, 2020 were $1,009,623, an increase of $42,306 or 4%, compared to the previous year. The major components of this variance were related to an increase in donated space and services of $47,369 or 9% due to changes in personnel and a market rate increase for space usage. In addition, there was an increase in provision for bad debt of $26,397 or 100% for uncollected receivables. These increases were offset by a decrease in program services of $26,249 or 6% due to the Center's closure in the spring due to COVID-19.

There were no other significant or unexpected changes in the Center's expenses.

The following illustrates the Center's expenses, by category, for the year ended June 30, 2020:

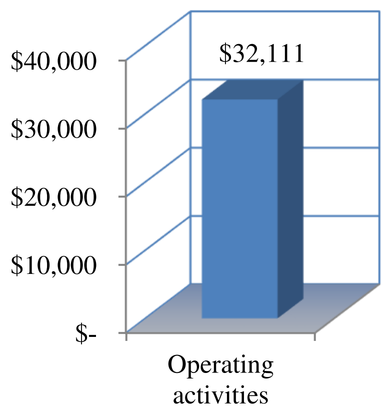
Expenses by Category



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Center's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Center's cash flows for the year ended June 30, 2020:

Cash Flows



Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred, and COVID-19 whose effect is not presently determinable.

YORK COLLEGE CHILD AND FAMILY CENTER, INC.

Statements of Net Position

June 30, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and equivalents (notes 2 and 3)	$ 387,820	355,709
Accounts receivable	131,600	239,856
Prepaid expenses	2,504	3,297
Total assets	521,924	598,862
Liabilities		
Current liabilities - accounts payable and accrued expenses	1,094	653
Net Position		
Unrestricted	$ 520,830	598,209

See accompanying notes to financial statements.

YORK COLLEGE CHILD AND FAMILY CENTER, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2020 and 2019

	2020	2019
Operating revenue:		
Donated space and services	$ 555,177	507,808
CUNY child care allocation	165,453	165,453
York College Student Association allocation	54,621	64,305
Tuition and fees	6,305	16,121
NYC City Council Grant	26,126	26,126
NYS Child Care Development and Block Grant	53,020	42,064
Universal Pre-Kindergarten	70,840	111,320
Other	702	756
Total operating revenue	932,244	933,953
Operating expenses:		
Donated space and services	555,177	507,808
Program services	409,636	435,885
Supporting services	13,957	19,033
Insurance	4,307	4,436
Provision for bad debt	26,397	-
Other	149	155
Total operating services	1,009,623	967,317
Loss from operations	(77,379)	(33,364)
Net position at beginning of year	598,209	631,573
Net position at end of year	$ 520,830	598,209

See accompanying notes to financial statements.

YORK COLLEGE CHILD AND FAMILY CENTER, INC.
Statements of Cash Flows
Years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash receipts from:		
CUNY child care allocation	$ 330,906	-
York College Student Association allocation	54,621	64,820
Tuition and fees	5,000	16,121
NYC City Council Grant	-	26,126
NYS Child Care Department and Block Grant	-	84,282
Universal Pre-Kindergarten	67,697	118,408
Other	702	558
Cash payments to/for:		
Program services	(409,195)	(465,413)
Supporting services	(13,957)	(20,219)
Insurance and other	(3,663)	(4,639)
Net cash provided by (used in) operating activities	32,111	(179,956)
Cash and equivalents at beginning of year	355,709	535,665
Cash and equivalents at end of year	$ 387,820	355,709
Reconciliation of loss from operations to net cash provided by (used in) operating activities:		
Loss from operations	(77,379)	(33,364)
Adjustments to reconcile loss from operations to net cash provided by (used in) operating activities - changes in:		
Accounts receivable	108,256	(115,829)
Prepaid expenses	793	(49)
Accounts payable and accrued expenses	441	(30,714)
Net cash provided by (used in) operating activities	$ 32,111	(179,956)

See accompanying notes to financial statements.

(1) Nature of Organization

The York College Child and Family Center, Inc. (the Center) was organized to operate within the bylaws, policies and regulations of the City University of New York (CUNY) and the policies, regulations and orders of York College (the College). The purpose of the Center is to provide an educational and development program for children of registered degree students at the College during times of regularly scheduled college classroom instruction in order that students with childcare responsibilities may pursue their educational programs at the College.

The Center was organized exclusively for charitable, educational and scientific purposes and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Although the Center is a separate and independent legal entity, it carries out operations, which are integrally related to CUNY and, therefore, is included as a part of CUNY's financial reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Center's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Center is considered a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed, in whole or in part, by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Center is also considered a discretely presented component unit of the CUNY, as defined by GASB.

(b) Net Position

The Center's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Center to maintain them in perpetuity.

(2) Summary of Significant Accounting Policies, Continued

(b) Net Position, Continued

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Center or the passage of time.

Unrestricted - All other net position including net position designated by actions, if any, of the Center's Board of Directors.

At June 30, 2020 and 2019, the Center had only unrestricted net position.

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Revenue Recognition

Revenues are recognized in the period earned. The Center derives a portion of its revenue from fees billed to students whose children are provided day care services. The Center recognized revenue of $165,453 during the fiscal years ended June 30, 2020 and 2019 from CUNY for providing child day care services for children of students enrolled at the College. As of June 30, 2019, $165,453 is included in accounts receivable in the accompanying statements of net position. For the years ended June 30, 2020 and 2019, the Center recognized revenue of $54,621 and $64,305, respectively, from allocations from the York College Student Association.

(f) Donated Space and Services

The Center operates on the campus of the College and utilizes office space and equipment, as well as personal services of certain college employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such services (note 6).

(g) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Summary of Significant Accounting Policies, Continued

(h) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Subsequent Events

The Center has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Center and its future results and financial position is not presently determinable.

(j) Income Taxes

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Center has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Center presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Center has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Center are subject to examination by taxing authorities.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Center's deposits may not be returned in the event of a bank failure. At June 30, 2020, the Center's cash and equivalents balance was below the federal threshold and therefore none of its cash and equivalents balance was exposed to custodial credit risk.

Cash and equivalents consist of the following at June 30, 2020 and 2019:

	2020	2019
Operating account	$ 222,497	124,721
Operating account - UPK	36,318	102,608
Money market	129,005	128,380
	$ 387,820	355,709

(4) Child Care Program Grant

The Center's agreement with the Research Foundation of the City University of New York (the Research Foundation) provides for the Research Foundation to maintain custody of the Federal Child Care Development Grant and reimburse the Center for allowable costs incurred up to the amount of the grant received. As of June 30, 2020 and 2019, $97,392 and $70,768, respectively, was due from the Research Foundation related to this grant and these amounts are included in accounts receivable in the accompanying statements of net position. The Research Foundation reimbursed the Center for allowable costs of $26,596 for the year ended June 30, 2019.

(5) Program Services

For the years ended June 30, 2020 and 2019, program services consisted of the following:

	2020	2019
Personnel services	$ 406,671	426,483
Food and supplies	2,965	9,402
	$ 409,636	435,885

Salary and benefit payments for the Center's employees are paid by the Research Foundation and reimbursed by the Center. Personnel services expense for the years ended June 30, 2020 and 2019 includes $24,567 and $35,215, respectively, of administrative fees paid to the Research Foundation for these services.

(6) Donated Space and Services

The Center utilizes certain professional services and facilities provided by the College. The estimated fair values of professional services and facilities are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities for the years ended June 30, 2020 and 2019 amounted to the following:

	2020	2019
Professional services	$ 205,113	178,960
Facilities	350,064	328,848
	$ 555,177	507,808

(7) Accounting Standards Issued But Not Yet Implemented

GASB issued Statement No. 95 - "Postponement of the Effective Dates of Certain Authoritative Guidance" in May 2020. This Statement has the primary objective of providing temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. Disclosures below have been updated accordingly.

- GASB Statement No. 84 - "Fiduciary Activities." This Statement, issued in January 2017, addresses criteria for identifying fiduciary activities of state and local governments and focuses on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with who the fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 87 - "Leases." This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 89 - "Accounting for Interest Cost Incurred Before the End of a Construction Period." This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning July 1, 2021 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

(7) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 91 - "Conduit Debt Obligations." This Statement, issued in May 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning July 1, 2022 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 92 - "Omnibus 2020." This Statement, issued in January 2020, clarifies implementation of GASB Statements No. 73, 74, 84 and 87, generally effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 93 - "Replacement of Interbank Offered Rates." This Statement, issued in March 2020, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. The requirements of this Statement are effective for reporting periods beginning after December 31, 2022, which is the fiscal year beginning July 1, 2023 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 94 - "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." This Statement, issued in March 2020, addresses issues related to public-private and public-public partnerships (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

- GASB Statement No. 96 - "Subscription-Based Information Technology Arrangements." This Statement, issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.

(7) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 97 - "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement, issued in June 2020, sets requirements for a primary government's determination of component units which do not have governing boards; amends the financial burden criterion in paragraph 7 of Statement No. 84; sets required classifications for Section 457 plans and applies Statement No. 84, as amended, to IRC Section 457 arrangements; and supersedes remaining provisions of Statement No. 32, as amended, regarding investment valuation requirements for Section 457 plans. The requirements of this Statement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Center. This Statement is not expected to have a material effect on the financial statements of the Center.