

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

JUNE 30, 2016 AND 2015

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit

A - Balance Sheet

B - Statement of Activities

C - Statement of Cash Flows

Notes to Financial Statements



Independent Auditor's Report

**Board of Directors
GSUC Child Development
and Learning Center, Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of GSUC Child Development and Learning Center, Inc., which comprise the balance sheet as of June 30, 2016 and 2015, and the related statements of activities, and cash flows for the years 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 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 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 GSUC Child Development and Learning Center, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Loeb + Troper LLP

December 19, 2016

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

BALANCE SHEET

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 24,418	\$ 10,726
Accounts receivable	2,427	9,845
Prepaid expenses	933	
Advances to CUNY Research Foundation	<u>34,285</u>	<u>51,082</u>
Total assets	<u>\$ 62,063</u>	<u>\$ 71,653</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 14,945	\$ 14,200
Net assets - unrestricted (Exhibit B)	<u>47,118</u>	<u>57,453</u>
Total liabilities and net assets	<u>\$ 62,063</u>	<u>\$ 71,653</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

EXHIBIT B**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.****STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenues		
Government contract	\$ 115,213	\$ 107,300
Contributions	13,448	22,063
Child care fees	152,460	161,309
Interest income	99	41
Donated services from Graduate Center - CUNY (Note 3)	88,418	96,635
Donated space (Note 4)	164,760	137,300
	<u>534,398</u>	<u>524,648</u>
Total revenues		
Expenses		
Program services - day care center		
Salaries and related expenses	232,897	235,133
Occupancy (Note 4)	115,332	96,110
Insurance	4,954	5,682
Consulting		6,715
Supplies	9,110	5,427
Meetings	1,605	3,347
Postage	51	60
Donated services (Note 3)	35,367	38,654
	<u>399,316</u>	<u>391,128</u>
Total program services		
Supporting services		
Management and general		
Salaries and related expenses	25,877	26,126
Professional fees	13,400	13,000
Occupancy (Note 4)	49,428	41,190
Meetings	85	176
Donated services (Note 3)	53,051	57,981
Bad debt expense	1,800	
Miscellaneous	1,776	120
	<u>145,417</u>	<u>138,593</u>
Total supporting services		
Total expenses	<u>544,733</u>	<u>529,721</u>
Change in unrestricted net assets (Exhibit C)	(10,335)	(5,073)
Net assets - beginning of year	<u>57,453</u>	<u>62,526</u>
Net assets - end of year (Exhibit A)	<u>\$ 47,118</u>	<u>\$ 57,453</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ (10,335)	\$ (5,073)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Decrease (increase) in assets		
Accounts receivable	7,418	(4,775)
Prepaid expenses	(933)	
Advances to CUNY Research Foundation	16,797	(4,691)
Increase in liabilities		
Accounts payable and accrued expenses	<u>745</u>	<u>654</u>
Net cash provided (used) by operating activities	<u>13,692</u>	<u>(13,885)</u>
Net change in cash	13,692	(13,885)
Cash - beginning of year	<u>10,726</u>	<u>24,611</u>
Cash - end of year	<u><u>\$ 24,418</u></u>	<u><u>\$ 10,726</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 1 - NATURE OF ENTITY

GSUC Child Development and Learning Center, Inc. (the "Corporation") was incorporated on February 22, 2000 for the purposes of establishing, maintaining and operating a day care center on the campus of the Graduate School and University Center of The City University of New York ("GSUC") or elsewhere in the County of New York, New York. The Corporation provides day care services for dependent children of registered, matriculated GSUC students and, as space permits, for children of nonmatriculated students, faculty and staff of GSUC. GSUC Child Development and Learning Center, Inc. began its operation on September 5, 2000.

The Corporation has been determined by the Internal Revenue Service to be a Section 501(c)(3) organization and is therefore exempt from taxes under Section 501(a) of the Internal Revenue Code. The Corporation is also exempt from New York State and New York City income taxes.

The primary sources of revenues are a government contract, child care fees, and contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Accounts receivable, allowance for doubtful accounts and revenue recognition - The Corporation records child care fees and related receivables based on established tuition rates. Management determines whether an allowance for uncollectibles should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of its accounts receivable, subsequent collections and historical information. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Management has determined that there is no need to set up an allowance as of June 30, 2016 and 2015.

-continued-

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advances to the CUNY Research Foundation - Advances to the CUNY Research Foundation consist of funds provided to the CUNY Research Foundation for salary and related expenses that were not spent at the end of the fiscal year. All advances are expected to be spent in the next fiscal year.

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

Government contract - Revenue from the government contract is recognized over the year based on the terms of the contract.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-kind contributions - In-kind contributions are recorded at their estimated fair values and are reflected in the financial statements as revenue and a corresponding expense.

Functional allocation of expenses - The costs of providing the Corporation's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uncertainty in income taxes - The organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2013 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through December 19, 2016 which is the date the financial statements were available to be issued.

-continued-

**GSUC CHILD DEVELOPMENT AND
LEARNING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE 3 - DONATED SERVICES FROM GRADUATE CENTER

Donated services from the Graduate Center consist of salary and related expenses for the Director of GSUC Child Development and Learning Center, Inc.

NOTE 4 - DONATED SPACE

Donated space from the City University of New York Graduate School and University Center consisted of 2,746 square feet valued at \$60 and \$50 per square foot, for a total of \$164,760 and \$137,300 for the years ended June 30, 2016 and 2015, respectively.