

**CHILD DEVELOPMENT COUNCIL OF
CENTRAL NEW YORK, INC. D/B/A
CHILD DEVELOPMENT COUNCIL**

FINANCIAL REPORT

**For the Years Ended
December 31, 2020 and 2019**



Certified Public Accountants | Business Advisors

CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Child Development Council
of Central New York, Inc.
d/b/a Child Development Council
Ithaca, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Child Development Council of Central New York, Inc. d/b/a Child Development Council (the Council), a nonprofit organization, which comprise the Statements of Financial Position as of December 31, 2020 and 2019, and the related Statements of Activities, Functional Expenses, 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Council'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 Council'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 Child Development Council of Central New York, Inc. d/b/a Child Development Council as of December 31, 2020 and 2019, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 the 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 in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021 on our consideration of Child Development Council of Central New York, Inc. d/b/a Child Development Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Child Development Council of Central New York, Inc. d/b/a Child Development Council's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 11, 2021

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 840,055	\$ 383,073
Unconditional Promises to Give	39,685	27,250
Accounts Receivable	304,026	238,492
Prepaid Expenses	6,699	5,863
Total Current Assets	1,190,465	654,678
Investments	404,970	355,245
Fixed Assets, Net of Accumulated Depreciation of \$187,407 in 2020 and \$175,905 in 2019	47,198	48,732
Total Assets	\$ 1,642,633	\$ 1,058,655
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 33,765	\$ 60,860
Compensated Absences	47,458	32,268
Loan Payable - Paycheck Protection Program	191,250	-
Total Current Liabilities	272,473	93,128
Net Assets Without Donor Restrictions		
Board Designated	132,826	132,362
Undesignated	1,042,009	743,438
Total Without Donor Restrictions	1,174,835	875,800
Net Assets With Donor Restrictions	195,325	89,727
Total Net Assets	1,370,160	965,527
Total Liabilities and Net Assets	\$ 1,642,633	\$ 1,058,655

See Notes to Financial Statements

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Contributions	\$ 95,085	\$	\$ 95,085
Scholarships	35,394	19,915	55,309
Other Grants	560,749	130,473	691,222
Cornell University		44,000	44,000
United Way of Tompkins County	1,483	58,030	59,513
United Way of Cortland County		3,300	3,300
Tompkins County:			
County Youth Services	41,236		41,236
Registration and Inspection	113,139		113,139
Resource and Referral	83,430		83,430
In-Home Quality Improvement	41,316		41,316
Teen Pregnancy Parenting Program	61,800		61,800
Community Optional Preventive Services	215,571		215,571
Family Assessment Response Public-Private Partnership			-
Child Care Planner/Developer	43,750		43,750
Child Care Solutions	26,222		26,222
Cortland County Legally Exempt Site Visits	1,040		1,040
NYS Office of Children and Family Services (OCFS)	76,254	237,109	313,363
NYS OCFS - Hoyt Family Trust	150,000		150,000
CACFP (USDA) Child and Adult Care Food Program	63,306	277,776	341,082
Revenues			
Program Incidental Revenue	2,455		2,455
Training Revenue	240		240
Interest Income	853		853
Dividends	2,008		2,008
Capital Gain Distributions	2,560		2,560
Realized Gain on Sale of Investments			-
Unrealized Gain (Loss) on Fair Value of Investments	42,426		42,426
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	562,975	(562,975)	-
Satisfaction of Time Restrictions	102,030	(102,030)	-
Total Support and Revenues	<u>2,325,322</u>	<u>105,598</u>	<u>2,430,920</u>
Expenses			
Program Services			
Resource and Referral Tompkins	539,257		539,257
Family Support Services - Tompkins	326,986		326,986
Family Support Services - Cortland	131,419		131,419
Teen Pregnancy Parenting	-		-
Resource and Referral Cortland	171,189		171,189
Basic Needs	742,344		742,344
Total Program Services	<u>1,911,195</u>	<u>-</u>	<u>1,911,195</u>
Supporting Services			
Management and General	100,864		100,864
Fundraising	14,228		14,228
Total Supporting Services	<u>115,092</u>	<u>-</u>	<u>115,092</u>
Total Expenses	<u>2,026,287</u>	<u>-</u>	<u>2,026,287</u>
Changes in Net Assets	299,035	105,598	404,633
Net Assets, January 1,	875,800	89,727	965,527
Net Assets, December 31,	<u>\$ 1,174,835</u>	<u>\$ 195,325</u>	<u>\$ 1,370,160</u>

See Notes to Financial Statements

2019

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 35,664	\$	\$ 35,664
776	8,821	9,597
97,348	18,150	115,498
	44,000	44,000
619	45,200	45,819
	3,300	3,300
40,662		40,662
113,139		113,139
83,430		83,430
41,316		41,316
61,800		61,800
198,733		198,733
16,839		16,839
50,000		50,000
		-
1,040		1,040
157,424	150,164	307,588
62,500		62,500
72,625	323,763	396,388
3,100		3,100
11,777		11,777
807		807
3,467		3,467
4,385		4,385
468		468
49,840		49,840
501,703	(501,703)	-
102,030	(102,030)	-
<u>1,711,492</u>	<u>(10,335)</u>	<u>1,701,157</u>
504,243		504,243
210,919		210,919
58,357		58,357
123,468		123,468
171,134		171,134
365,794		365,794
<u>1,433,915</u>	<u>-</u>	<u>1,433,915</u>
102,753		102,753
13,834		13,834
<u>116,587</u>	<u>-</u>	<u>116,587</u>
<u>1,550,502</u>	<u>-</u>	<u>1,550,502</u>
160,990	(10,335)	150,655
<u>714,810</u>	<u>100,062</u>	<u>814,872</u>
<u>\$ 875,800</u>	<u>\$ 89,727</u>	<u>\$ 965,527</u>

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services			
	Resource and Referral Tompkins	Family Support Services Tompkins	Family Support Services Cortland	Teen Pregnancy Parenting
Expenses				
Salaries	\$ 363,352	\$ 210,847	\$ 93,873	\$
Payroll Taxes and Fringe Benefits	77,187	54,152	23,000	
Professional Fees	13,968	312	252	
Supplies	7,045	4,448	1,220	
Telephone	9,226	5,544	2,048	
Postage	1,417	283	91	
Building	50,201	37,092	4,197	
Equipment	2,321	3,224	1,581	
Printing	2,577	1,580	247	
Reference and Publications	68			
Travel and Transportation	2,037	3,954	2,068	
Conference and Meetings	1,273	1,430	1,176	
Scholarship Expense				
Grant Expense				
USDA Provider Expense				
Membership	4,108	1,027	343	
OCFS - Custodial				
Insurance	3,016	1,947	900	
Advertising	435	1,045	401	
Depreciation Expense				
Miscellaneous Expense	1,026	101	22	
Total Functional Expenses	\$ 539,257	\$ 326,986	\$ 131,419	\$ -

See Notes to Financial Statements

Program Services			Supporting Services			
Resource and Referral Cortland	Basic Needs	Total	Management and General	Fundraising	Total	Total
\$ 121,830	\$	\$ 789,902	\$ 38,604	\$ 11,421	\$ 50,025	\$ 839,927
27,406		181,745	8,493	2,513	11,006	192,751
336		14,868	25,550		25,550	40,418
983	60,089	73,785	874		874	74,659
2,195		19,013	1,215		1,215	20,228
774		2,565	171	114	285	2,850
12,248		103,738	6,622		6,622	110,360
1,266		8,392	536		536	8,928
357		4,761		180	180	4,941
		68			-	68
513		8,572			-	8,572
232		4,111			-	4,111
	219,875	219,875			-	219,875
	168,861	168,861			-	168,861
	277,776	277,776			-	277,776
1,652		7,130			-	7,130
	15,743	15,743			-	15,743
970		6,833	6,835		6,835	13,668
400		2,281			-	2,281
		-	11,964		11,964	11,964
27		1,176			-	1,176
\$ 171,189	\$ 742,344	\$ 1,911,195	\$ 100,864	\$ 14,228	\$ 115,092	\$ 2,026,287

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Expenses	Program Services			
	Resource and Referral Tompkins	Family Support Services Tompkins	Family Support Services Cortland	Teen Pregnancy Parenting
Salaries	\$ 322,998	\$ 132,630	\$ 43,998	\$ 77,957
Payroll Taxes and Fringe Benefits	78,544	36,545	7,117	19,545
Professional Fees	3,536	359	643	67
Supplies	8,135	4,336	1,281	1,947
Telephone	8,430	3,335	371	2,242
Postage	1,608	535	161	337
Building	40,324	19,874	898	13,951
Equipment	1,641	1,993		1,151
Printing	1,025	8	35	5
Reference and Publications		166		110
Travel and Transportation	8,649	4,583	946	2,967
Conference and Meetings	2,189	2,179	2,755	1,801
Scholarship Expense				
Grant Expense	12,431			
USDA Provider Expense				
Membership	3,890	366	97	262
OCFS - Custodial				
LDSS - Custodial				
Insurance	2,622	1,747		378
Advertising	1,965	714	52	663
Depreciation Expense				
Training	4,293			
Miscellaneous Expense	1,963	1,549	3	85
Total Functional Expenses	\$ 504,243	\$ 210,919	\$ 58,357	\$ 123,468

See Notes to Financial Statements

Program Services			Supporting Services			
Resource and Referral Cortland	Basic Needs	Total	Management and General	Fundraising	Total	Total
\$ 110,243	\$	\$ 687,826	\$ 35,998	\$ 10,287	\$ 46,285	\$ 734,111
28,624		170,375	9,000	2,572	11,572	181,947
5,391		9,996	25,745		25,745	35,741
1,370		17,069	1,096	84	1,180	18,249
2,810		17,188	1,097		1,097	18,285
1,109		3,750	252	195	447	4,197
11,254		86,301	5,509		5,509	91,810
474		5,259	336		336	5,595
211		1,284		696	696	1,980
30		306			-	306
2,216		19,361			-	19,361
832		9,756			-	9,756
	7,670	7,670			-	7,670
2,444	12,055	26,930			-	26,930
	323,763	323,763			-	323,763
1,090		5,705			-	5,705
	15,846	15,846			-	15,846
	6,460	6,460			-	6,460
594		5,341	5,342		5,342	10,683
438		3,832			-	3,832
		-	18,252		18,252	18,252
1,919		6,212			-	6,212
85		3,685	126		126	3,811
\$ 171,134	\$ 365,794	\$ 1,433,915	\$ 102,753	\$ 13,834	\$ 116,587	\$ 1,550,502

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2020	2019
Cash Flows From Operating Activities		
Changes in Net Assets	\$ 404,633	\$ 150,655
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Loss (Gain) on Fixed Asset Disposals	-	461
Depreciation	11,964	18,252
Unrealized (Gain) Loss on Fair Value of Investments	(42,426)	(49,840)
Realized (Gain) on Sale of Investments	-	(468)
(Increase) Decrease in Current Assets:		
Unconditional Promises to Give	(12,435)	6,530
Accounts Receivable	(65,534)	(56,036)
Prepaid Expenses	(836)	(831)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(27,095)	22,777
Compensated Absences	15,190	179
	283,461	91,679
Cash Flows From Investing Activities		
Capital Equipment Expenditures	(10,430)	(19,827)
Proceeds from Sale of Investments	6,216	8,068
Purchase of Investments	(13,515)	(16,678)
	(17,729)	(28,437)
Cash Flows From Financing Activities		
Loan Payable - Paycheck Protection Program	191,250	-
	191,250	-
Net Change in Cash and Cash Equivalents	456,982	63,242
Cash and Cash Equivalents, January 1,	383,073	319,831
Cash and Cash Equivalents, December 31,	\$ 840,055	\$ 383,073

See Notes to Financial Statements

***CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL***

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 1 **Summary of Significant Accounting Policies**

Activity

Child Development Council of Central New York, Inc. d/b/a Child Development Council (the Council) is a private, nonprofit human services group providing information and referral, day care training, and technical assistance, administration of the United States Department of Agriculture Child and Adult Care Food Program, child development consultation services, and coordination and support of services to pregnant and parenting teens and other adults. The Council is a United Way Agency. Additional funding is provided by the New York State Department of Health, New York State and Tompkins County Department of Social Services, Tompkins County Youth Bureau, Tompkins Community Action, Cornell University, private foundations, and local citizens.

On January 1, 2012, the Day Care and Child Development Council of Tompkins County, Inc. merged its activity with the Cortland Area Child Care Council, Inc. (Cortland), and the combined entity was renamed the Child Development Council of Central New York, Inc.

Accounting Method

The financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and accordingly reflect all significant receivables, payables, and other liabilities. All revenues are recognized as earned, and expenses are reflected as incurred, except in the scholarship account. Scholarships are expensed when paid rather than when awarded.

Financial Statement Presentation

Financial statement presentation follows the accounting standards requirements for nonprofit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to two classes of net assets depending on the existence and/or nature of any donor restrictions as follows: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable at year end are deemed to be fully collectible and are expected to be collected in less than one year.

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 1 Summary of Significant Accounting Policies - Continued

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities, or expenses, depending on the form of the benefits received. Amounts at year end are deemed to be fully collectible and are expected to be collected in less than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments

Investments are reported at fair value. Unrealized and realized gains and losses are included in the accompanying Statements of Activities. Investment expenses, such as custodial, commission, and investment advisory fees, are netted against investment income (loss) in the Statements of Activities.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Furniture and Equipment

Furniture and equipment costing \$500 or more are recorded as a capital asset at cost, and depreciation expense is computed using the straight-line method over the estimated useful life of the asset.

Compensated Absences

Compensated absences consist of unpaid accumulated annual vacation leave. The liability for compensated absences is attributable to services already rendered and is accrued as employees earn rights to the benefits.

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 1 Summary of Significant Accounting Policies - Continued

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Council reports gifts of cash and other assets as revenue with donor restrictions 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, the net assets are reclassified as net assets without donor restriction and reported in the Statements of Activities as net assets released from restrictions.

Expenses

Expenses are recognized by the Council on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period.

Functional Allocation of Expenses

The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Council are reported as expenses of those functional areas. A portion of costs that benefit multiple functional areas (indirect costs) have been allocated across programs and administration based on the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Exemption

The Council is exempt from income taxes under §501(c)(3) of the Internal Revenue Code. The Council has been classified as an organization other than a private foundation under §509(a)(2).

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 1 Summary of Significant Accounting Policies - Continued

Donated Services

The Council receives donated services from volunteers for general functions. These services do not meet the criteria of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 for recording and, consequently, no value is reflected in the financial statements.

Evaluation of Subsequent Events

Management has evaluated the effects of events and transactions for potential recognition or disclosure through May 11, 2021, the date which the financial statements were available to be issued.

Future Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, “Leases” (Topic 842). ASU No. 2016-02 improves transparency and comparability among companies by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for the year ending December 31, 2022. The Council is currently assessing the financial impact of this guidance on the financial statements.

Note 2 Concentration of Credit Risk Involving Cash

The Council maintains cash in various accounts held at local financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC). At times, these cash balances may exceed federally insured amounts. At December 31, 2020, the Council had cash balances of \$468,117 in excess of FDIC coverage; there were no uninsured balances at December 31, 2019. Cash held in investment accounts and certificates of deposits of \$147,438 and \$149,708 at December 31, 2020 and 2019, respectively, are not covered by federal insurance.

Note 3 Accounts Receivable

Accounts receivable at December 31, consisted of the following:

	<u>2020</u>	<u>2019</u>
New York State OCFS	\$ 147,898	\$ 70,643
Tompkins County Youth Services	10,627	10,509
Tompkins County	(4,282)	38,338
CACFP (USDA)	27,082	29,833
Hoyt Family Trust	60,682	62,500
NYS Birth to 5 (Southern Tier)	-	15,000
Other	62,019	11,669
Total	<u>\$ 304,026</u>	<u>\$ 238,492</u>

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 4 Unconditional Promises to Give

Under FASB ASC 958, long term unconditional promises to give are valued at the present value of estimated future cash flows. Unconditional promises to give were as follows at December 31,:

	2020	2019
United Way of Tompkins County	\$ 27,500	\$ 24,250
Other	11,185	
Innovation Fund	1,000	3,000
 Total Unconditional Promises to Give to be Collected Within One Year	 \$ 39,685	 \$ 27,250

Note 5 Investments

Investments consisted of the following at December 31,:

	2020		
	Cost	Fair Value	Unrealized Gain
Mutual Funds	\$ 285,952	\$ 404,970	\$ 119,018
	2019		
	Cost	Fair Value	Unrealized Gain
Mutual Funds	\$ 278,653	\$ 355,245	\$ 76,592

Investment return (loss) for the years ended December 31, was as follows:

	2020	2019
Interest and Dividends	\$ 5,649	\$ 6,926
Realized Gain on Sale of Investments		468
Capital Gain Distribution	2,560	4,385
Unrealized Gain on Fair Value of Investments	42,426	49,840
Investment Fees	(3,641)	(3,459)
 Total	 \$ 46,994	 \$ 58,160

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 6 Fair Value Measurements

FASB ASC 820, “Fair Value Measurements and Disclosures,” formerly Statement of Financial Accounting Standards (SFAS) No. 157 “Fair Value Measurements,” establishes a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs derived principally from or corroborated observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 6 Fair Value Measurements - Continued

The following table sets forth by level, within the fair value hierarchy, the Council's assets at fair value:

	2020			Total
	Level 1	Level 2	Level 3	
Mutual Funds				
Fixed Income Securities	\$ 139,325	\$	\$	\$ 139,325
Large Cap - ETF	52,204			52,204
Emerging Markets - ETF	17,337			17,337
Small Cap - Mutual Funds	38,593			38,593
Large Cap - Mutual Funds	117,366			117,366
International - Mutual Funds	40,145			40,145
Total	\$ 404,970	\$ -	\$ -	\$ 404,970

	2019			Total
	Level 1	Level 2	Level 3	
Mutual Funds				
Fixed Income Securities	\$ 127,987	\$	\$	\$ 127,987
Large Cap - ETF	42,484			42,484
Emerging Markets - ETF	14,839			14,839
Small Cap - Mutual Funds	33,673			33,673
Large Cap - Mutual Funds	99,284			99,284
International - Mutual Funds	36,978			36,978
Total	\$ 355,245	\$ -	\$ -	\$ 355,245

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 7 Fixed Assets

Fixed assets are reflected at cost and consisted of the following at December 31,:

	2020		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 152,135	\$ 126,612	\$ 25,523
Leasehold Improvements	82,470	60,795	21,675
Total	\$ 234,605	\$ 187,407	\$ 47,198
	2019		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 142,167	\$ 119,574	\$ 22,593
Leasehold Improvements	82,470	56,331	26,139
Total	\$ 224,637	\$ 175,905	\$ 48,732

Depreciation expense for the years ended December 31, 2020 and 2019 amounted to \$11,964 and \$18,252, respectively.

Note 8 Accounts Payable

Accounts payable at December 31, consisted of the following:

	2020	2019
CACFP (USDA)	\$ 21,108	\$ 23,652
NYS Birth to 5 (Southern Tier)	-	12,000
Other	12,657	25,208
Total	\$ 33,765	\$ 60,860

Note 9 Compensated Absences

The compensated absences liability for the years ended December 31, 2020 and 2019 amounted to \$47,458 and \$32,268, respectively. This liability reflects earned but unused vacation time.

CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 10 Liquidity and Availability of Financial Resources

The following table reflects the Council's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of contractual restrictions or internal board designations. Amounts not available include board designated funds that are intended to fund special board initiatives. In the event the need arises to utilize board designated funds for liquidity purposes, reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions to be used in accordance with associated purpose restrictions. The Council manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due.

	2020	2019
Years Ended December 31,		
Cash and Equivalents	\$ 840,055	\$ 383,073
Accounts Receivable and Unconditional Promises to Give	343,711	265,742
Investments	404,970	355,245
Total Financial Assets Available Within One Year	1,588,736	1,004,060
 Amounts Unavailable to Management Without Board's Approval:		
Board Designated Net Assets	(132,826)	(132,362)
 Donor-Imposed Purpose Restrictions:		
Net Assets with Donor Purpose Restrictions	(195,325)	(89,727)
 Total Financial Assets Available To Management Within One Year	\$ 1,260,585	\$ 781,971

Note 11 Cafeteria Benefit Plan

In 1993, the Council implemented a cafeteria benefit plan, which is funded by employer and employee contributions. All permanent employees are eligible. The plan offers pre-tax payroll deductions for health and dental insurance, unreimbursed medical expenses, dependent care reimbursement, and a retirement tax shelter annuity 403(b) plan. In addition, the employer benefit contribution can be received as additional payroll rather than pre-tax benefits. Contributions totaled \$99,833 and \$90,054 for the years ended December 31, 2020 and 2019, respectively.

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 12 Lease Agreement

As of December 1, 2017, the Council entered into a new five-year lease agreement for its Ithaca facility with Ithaca West, LLC with an option for renewal. The Council also rents space in Cortland on a month-to-month basis at a cost of \$875 per month. Rental payments for the years ended December 31, 2020 and 2019 amounted to \$65,154 and \$60,554, respectively.

The minimum future annual lease obligations under contract after December 31, 2020 amount to:

<u>Year</u>	<u>Amount</u>
2021	\$ 67,020
2022	63,250

Note 13 Net Assets

Net assets without donor restrictions at December 31, consisted of the following:

	<u>2020</u>	<u>2019</u>
Board Designated Net Assets		
Long-term Planning	\$ 38,428	\$ 38,428
Child Development Council Scholarships	32,865	32,400
Innovation Fund	47,721	47,721
Professional Development	13,812	13,813
Total Board Designated Net Assets	<u>132,826</u>	<u>132,362</u>
 Undesignated Net Assets	 <u>1,042,009</u>	 <u>743,438</u>
 Total	 <u><u>\$ 1,174,835</u></u>	 <u><u>\$ 875,800</u></u>

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 13 Net Assets - Continued

Net assets with donor restrictions at December 31, consisted of the following:

	2020	2019
Operating		
United Way of Tompkins County	\$ 24,250	\$ 24,250
Cornell University	22,000	22,000
Scholarship Fund - Cortland	-	2,120
Cortland Association for the Education of Young Children	5,467	5,467
Health Foundation for New York	-	1,500
Innovation Fund	9,400	6,400
Ithaca Urban Renewal Agency	500	-
Park Foundation - Child Care Retention Fund	5,000	-
Basic Needs		
Legacy Foundation	22,999	5,880
Cornell - Employer Collaborative	17,276	-
Scholarship Fund - Tompkins	19,915	8,820
Community Foundation - Birth to Three (COVID)	2,000	-
Community Foundation - Women's Fund	47	469
Community Foundation - Today Tomorrow Fund	-	2,219
Community Foundation (COVID)	1,838	-
FEMA	6,406	3,948
Social Service League	2,500	1,500
Ithaca Urban Renewal Agency	9,500	-
Park Foundation - Child Care Retention Fund	45,000	-
City Federation of Women's Organization	1,227	5,154
Total	\$ 195,325	\$ 89,727

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 13 Net Assets - Continued

Net assets released from program restrictions at December 31, consisted of the following:

	2020	2019
NYS OCFS	\$ 237,109	\$ 150,164
CACFP (USDA) (Child and Adult Care Food Program)	277,776	323,763
Friends of the Library	-	750
Scholarship Fund - Tompkins	15,375	6,828
Community Foundation - Women's Fund	422	3,032
Community Foundation - Today Tomorrow Fund	2,219	281
Community Foundation - Lane Family Fund	-	383
Community Foundation - COVID	3,000	-
Cornell - Employer Collaborative	2,724	-
Social Service League	1,500	-
FEMA	8,542	2,744
Health Foundation for New York	1,500	7,986
Legacy Foundation	7,881	3,120
City Federation of Women's Organization	4,927	2,652
Total	<u>\$ 562,975</u>	<u>\$ 501,703</u>

Net assets released from time restrictions at December 31, consisted of the following:

	2020	2019
United Way	\$ 58,030	\$ 58,030
Cornell University	44,000	44,000
Total	<u>\$ 102,030</u>	<u>\$ 102,030</u>

Note 14 Advertising

The Council uses advertising to promote its programs among the audiences it serves. Advertising production costs are expensed as incurred. During 2020 and 2019, advertising costs totaled \$2,281 and \$3,832, respectively.

***CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL***

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

Note 15 **Economic Uncertainty**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Council operates. While it is unknown how long these conditions will last and what the complete financial effect will be, the Council expects to experience disruptions to its programs, and funding sources, which could negatively impact operating results in future periods.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Child Development Council
of Central New York, Inc.
d/b/a Child Development Council
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Child Development Council of Central New York, Inc. d/b/a Child Development Council (the Council), which comprise the Statement of Financial Position as of December 31, 2020, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 11, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Child Development Council
of Central New York, Inc.
d/b/a Child Development Council
Ithaca, New York

Report on Compliance for Each Major Federal Program

We have audited Child Development Council of Central New York, Inc. d/b/a Child Development Council's (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended December 31, 2020. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, Child Development Council of Central New York, Inc. d/b/a Child Development Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 11, 2021

**CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA #	Pass-Through Grantor No.	Pass-Through to Subrecipients	Expenditures
U.S. Department of Agriculture				
Passed-through NYS Department of Health:				
Child and Adult Care Food Program	10.558	2107	\$	\$ 341,082
Total U.S. Department of Agriculture				341,082
U.S. Department of Health and Human Services				
Passed-through NYS Office of Children and Family Services:				
Child Care and Development Block Grant	93.575	N/A		510,972
Total Child Care and Development Block Grant				510,972
Community Based Child Abuse Prevention Grants	93.590	C028540		150,000
Total U.S. Department of Health and Human Services				660,972
Total Expenditures of Federal Awards			\$ -	\$ 1,002,054

See Notes to Schedule of Expenditures of Federal Awards

***CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL***

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020**

Note 1* **Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by Child Development Council of Central New York, Inc. d/b/a Child Development Council (the Council), an entity as defined in Note 1 to the Council's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2* **Basis of Accounting*

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger, which is the source of the financial statements.

Note 3* **Indirect Costs*

The Council did not elect to use the de minimus indirect cost rate under Uniform Guidance.

***CHILD DEVELOPMENT COUNCIL OF CENTRAL NEW YORK, INC.
D/B/A CHILD DEVELOPMENT COUNCIL***

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2020**

I. Summary of Auditors' Results:

- a. Type of report issued on financial statements of auditee - **Unmodified.**
- b. Significant deficiencies in internal control were not disclosed by the audit of the financial statements.
- c. The audit of the financial statements disclosed no noncompliance that is material to the financial statements of the auditee.
- d. No significant deficiencies in internal control over major programs were disclosed by the audit.
- e. Type of report issued on compliance for major programs - **Unmodified.**
- f. No audit findings under Uniform Guidance 2 CFR §200.516(a) were disclosed.
- g. Major programs are as follows: Child Care and Development Block Grant (93.575).
- h. \$750,000 is the dollar threshold used to distinguish between Type A and Type B programs.
- i. The auditee does qualify as a low-risk auditee.

II. Findings Required to be Reported Under GAGAS: None.

III. Findings Required to be Reported Under Uniform Guidance: None.