

**CHILDREN’S CENTER OF JOHN JAY COLLEGE OF CRIMINAL JUSTICE, INC.**  
**FY2020 Financial Statement Presentation**

**EXECUTIVE SUMMARY**

The Children’s Center and the College were forced to close in March 2021 due to the Covid-19 pandemic. Despite the sudden closure and decrease in overall revenue, the Center’s net position increased by approximately \$15k or 3%. The Center received an unmodified audit opinion, which means the financial statements is a fair presentation of the Center’s financial activity in accordance with generally accepted accounting principles (GAAP). The Management and Discussion Analysis (pages 3 – 7) in the appended financial report provides a detailed overview of the Center’s activity during the fiscal year.

It should be noted, 1) the University’s (CUNY) Board of Trustees enacted a 25% waiver on the student activities fees for the Spring 2020 semester. This waiver decreased the Association’s contribution to the Center. 2) The Center receives funding for salaries from its Federal Block grant administered through the Research Foundation/ CUNY. 3) During the fiscal year, the Center’s Director transferred to another campus. The vacancy affected the amounts recognized for donated salaries and benefits on the financial statements.

The table below provides an analysis of available surplus or cash at the end of the fiscal year.

**Analysis of Year-End Surplus and Available Cash**

<b>Year-End Surplus June 30, 2020</b>	<b>474,350</b>
<b>Less: Adjustments for:</b>	
Accounts Receivable- NYS grant	-47,969
*Due from Research Foundation/ CUNY	-64,530
*Due from Student Activities Association, Inc.	-72,969
Prepaid expenses and other assets	-4,654
<b>Surplus/ Cash available June 30, 2020</b>	<b>284,228</b>
*Refer Note (9), Notes to Financial Statements, page 15.	

Note the following

1. Accounts receivable represents a payment in transit from New York State.
2. Due from Research Foundation/ CUNY represents payroll expenditures submitted for reimbursement but not received.
3. Due from Student Activities Association represents an outstanding contribution for the Spring 2020 semester.
  - a. Prepaid expenses and other assets represent advanced payments for Directors’ and Officers’ and other operating liability insurances.
  - b. Liabilities for accounts payables and accrued expenses for payroll, legal fees, and other operating expenses for campus office services are already incorporated in the financial statements to determine the year-end surplus. These items are not reflected in the table above.

If you have question, please feel free to contact Ms. Lisa-Marie Williams, SAA’s CFAO, or me (Helen Ceden) at [lwilliams@jjay.cuny.edu](mailto:lwilliams@jjay.cuny.edu) or [hcedeno@jjay.cuny.edu](mailto:hcedeno@jjay.cuny.edu).

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Financial Statements and  
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Children's Center of John Jay College  
of Criminal Justice, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Children's Center of John Jay College of Criminal Justice, Inc. (the Center) as of and for the years ended June 30, 2020 and 2019, and the 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 Children's Center of John Jay College of Criminal Justice, 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 7 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

CHILDREN’S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Management’s Discussion and Analysis

June 30, 2020

The intent of management’s discussion and analysis (MD&A) is to provide readers with a comprehensive overview of Children’s Center of John Jay College of Criminal Justice, Inc.’s (the Center) financial 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 increased by \$15,853 or 3%.
- Operating revenue decreased by \$100,320 or 10%.
- Operating expenses decreased by \$40,729 or 5%.

**Financial Position**

The Center’s net position, the difference between assets and liabilities, is one way to measure the Center’s financial health. 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:

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets	\$ <u>515,223</u>	<u>488,814</u>	<u>26,409</u>	5%
Liabilities	\$ <u>40,873</u>	<u>30,317</u>	<u>10,556</u>	35%
Unrestricted net position	\$ <u>474,350</u>	<u>458,497</u>	<u>15,853</u>	3%

For the year ended June 30, 2020, the Center’s total net position increased by \$15,853 or 3%, compared to the previous fiscal year. The increase in net position was mainly due to the COVID-19 pandemic causing the City University of New York’s (the University) Colleges to close and the pause in childcare operations in mid-March 2020.

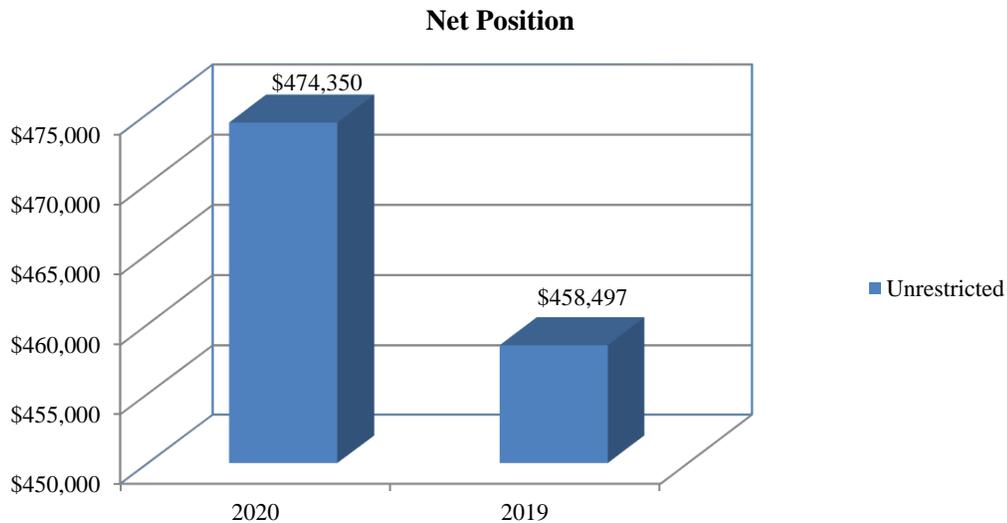
CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Management's Discussion and Analysis, Continued

The Center's assets increased \$26,409 or 5% mainly from available cash and equivalents due to reduced spending. Liabilities increased \$10,556 or 35% due to the timing of the Center's payroll and an accrual for workmen's compensation at the end of the fiscal year.

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:



**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**

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
State grant	\$ 235,119	245,705	(10,586)	(4%)
Food program	3,176	8,146	(4,970)	(61%)
Student activity fees	169,809	185,057	(15,248)	(8%)
Parent fees	44,588	66,867	(22,279)	(33%)
Donated space and services	400,244	454,498	(54,254)	(12%)
Other income	<u>7,707</u>	<u>690</u>	<u>7,017</u>	1,016%
Total operating revenue	\$ <u>860,643</u>	<u>960,963</u>	<u>(100,320)</u>	(10%)

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

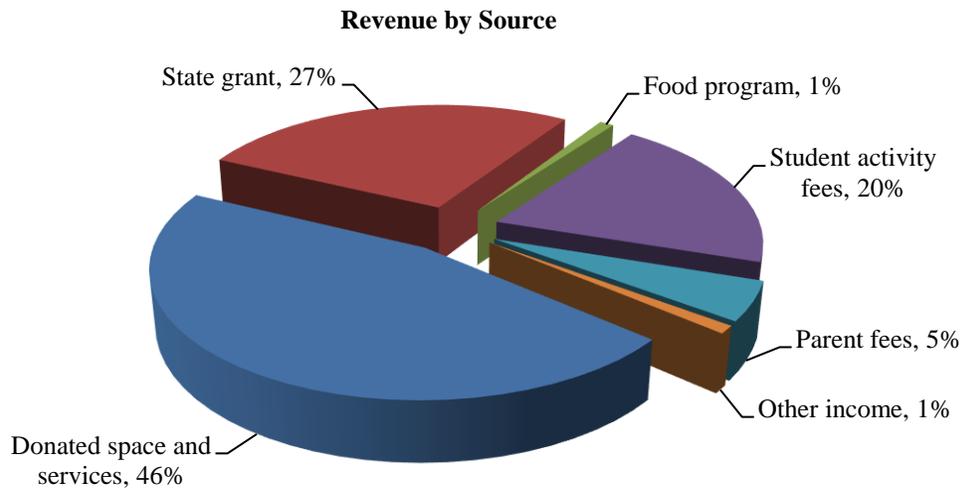
Management's Discussion and Analysis, Continued

The Center's total revenue for the year ended June 30, 2020 amounted to \$860,643, an overall decrease of \$100,320 or 10% compared to the previous year. Revenue decreased in all categories except for other income. The increase in other income by \$7,017 is due to the timing of prior year reimbursements and debt recovery. The New York State grant decreased by \$10,586 or 4% due to the distribution model utilized by the University. The following were impacted by the global pandemic due to ceased operations as mentioned above: food program by \$4,970 or 61%, student activity fees by \$15,248 or 8% and parent fees by \$22,279 or 33%. During the latter part of the fiscal year, the University's Board of Trustees approved a 25% discount/waiver for the Spring 2020 student activity fees which explains the decrease in the student activity fees' contribution to the Center.

During the fiscal year, the Center's Director transferred to another campus location. This position was vacant for several months and was filled in late December 2020. This resulted in the decrease in donated space and services by \$54,254 or 12%.

There were no other significant or unexpected changes in revenue for the year ended June 30, 2020.

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



CHILDREN’S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Management’s Discussion and Analysis, Continued

**Expenses**

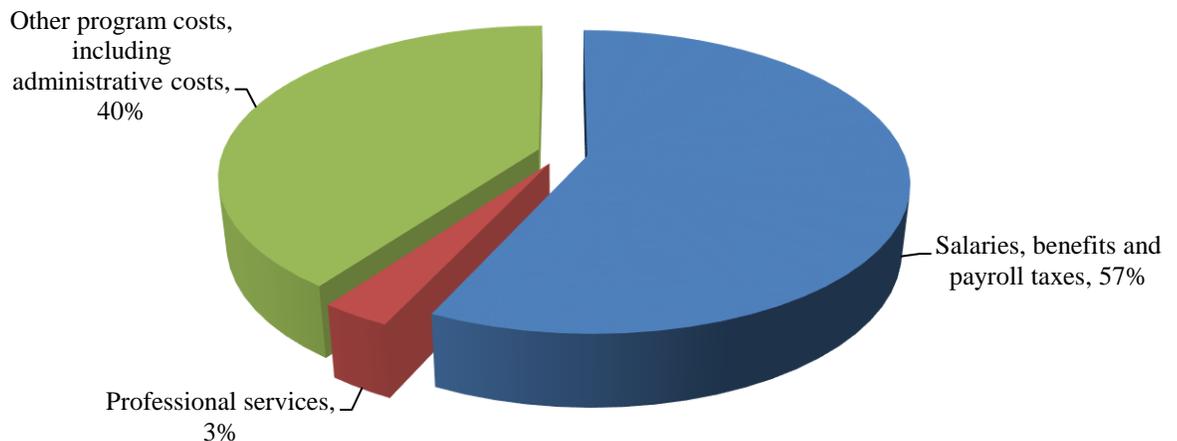
	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Salaries, benefits and payroll taxes	\$ 483,118	529,007	(45,889)	(9%)
Professional services	25,452	18,014	7,438	41%
Other program costs, including administrative costs	<u>336,220</u>	<u>338,498</u>	<u>(2,278)</u>	(1%)
Total operating expenses	<u>\$ 844,790</u>	<u>885,519</u>	<u>(40,729)</u>	(5%)

Total expenses for the year ended June 30, 2020 were \$844,790, an overall decrease of \$40,729 or 5%, compared to the previous year. The primary cause for this decrease was a decrease in salaries, benefits and payroll taxes of \$45,889 or 9% due to the Director’s position vacancy as explained in revenue above. Professional services increased by \$7,438 or 41% due to engaging additional nursing and consulting services for the Center during the fiscal year. There was a minimal decrease in other program costs by \$2,278 or 1% due to the COVID-19 pandemic which resulted in termination of childcare services due to the College’s closure as mentioned above.

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**

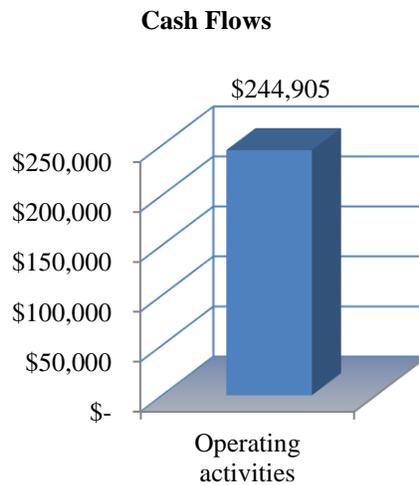


CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Management's Discussion and Analysis, Continued

**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:



All of the Center's receipts are used for operations. The Center has no capital assets and, further, due to limited resources there is no investing activity.

**Economic Factors That May Affect the Future**

The Center's financial ability remains uncertain due to its dependence on federal and state funding, the College's support for the Director's salary and benefits and its reliance on student activity fees. Additionally, COVID-19 has had and continues to have an effect on the Center.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.  
Statements of Net Position  
June 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 325,101	80,196
Accounts receivable	47,969	248,245
Due from related parties	137,499	156,030
Prepaid expenses	<u>4,654</u>	<u>4,343</u>
Total assets	<u>515,223</u>	<u>488,814</u>
<u>Liabilities</u>		
Accounts payable and accrued expenses	40,873	23,210
Unearned revenue	<u>-</u>	<u>7,107</u>
Total liabilities	<u>40,873</u>	<u>30,317</u>
<u>Net Position</u>		
Unrestricted	<u>\$ 474,350</u>	<u>458,497</u>

See accompanying notes to financial statements.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Public support:		
State grant	\$ 235,119	245,705
Food program	<u>3,176</u>	<u>8,146</u>
Total public support	<u>238,295</u>	<u>253,851</u>
Other revenue:		
Student activity fees	169,809	185,057
Parent fees	44,588	66,867
Donated space and services	400,244	454,498
Other income	<u>7,707</u>	<u>690</u>
Total other revenue	<u>622,348</u>	<u>707,112</u>
Total operating revenue	<u>860,643</u>	<u>960,963</u>
Operating expenses:		
Salaries	353,645	389,614
Employee benefits	104,200	113,786
Payroll taxes	25,273	25,607
Food	10,915	14,957
Supplies	1,728	4,919
Furniture and equipment	41	124
Professional services	25,452	18,014
Insurance	4,920	5,506
Facilities	311,345	307,080
Bad debt	2,540	-
Miscellaneous	<u>4,731</u>	<u>5,912</u>
Total operating expenses	<u>844,790</u>	<u>885,519</u>
Change in net position	15,853	75,444
Net position at beginning of year	<u>458,497</u>	<u>383,053</u>
Net position at end of year	<u>\$ 474,350</u>	<u>458,497</u>

See accompanying notes to financial statements.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.  
Statements of Cash Flows  
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash receipts from:		
State grants	\$ 432,855	-
Food program	3,176	8,146
Student activity fees	193,804	166,658
Parent fees	44,712	58,223
Other	8,087	690
Cash payments to/for:		
Salaries	(288,437)	(332,333)
Employee benefits	(72,587)	(62,338)
Payroll taxes	(23,916)	(26,503)
Food	(14,477)	(12,622)
Supplies	(1,639)	(4,919)
Furniture and equipment	-	(124)
Professional services	(26,710)	(16,623)
Insurance	(5,231)	(5,054)
Miscellaneous	(4,732)	(5,917)
Net cash provided by (used in) operating activities	244,905	(232,716)
Cash and equivalents at beginning of year	80,196	312,912
Cash and equivalents at end of year	\$ 325,101	80,196

(Continued)

See accompanying notes to financial statements.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.  
Statements of Cash Flows, Continued

	<u>2020</u>	<u>2019</u>
Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position	\$ 15,853	75,444
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Bad debt	2,540	-
Changes in:		
Accounts receivable	197,736	(247,303)
Due from related parties	22,531	(66,874)
Prepaid expenses	(311)	1,087
Accounts payable and accrued expenses	13,663	4,556
Unearned revenue	<u>(7,107)</u>	<u>374</u>
Net cash provided by (used in) operating activities	<u>\$ 244,905</u>	<u>(232,716)</u>

See accompanying notes to financial statements.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

The Children's Center of John Jay College of Criminal Justice, Inc. (the Center) is a non-profit organization, which provides complete childcare services to faculty and staff, and students enrolled at John Jay College of Criminal Justice (the College).

(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 to be 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 to be a discretely presented component unit of the University, 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.

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, the Center had no investment in capital assets or restricted net position.

(c) Cash and Equivalents

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

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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 primarily derived from state grants and tuition payments according to a fee schedule and are recognized when child care services are provided. Contributions received are recorded as restricted - nonexpendable, restricted - spendable, or unrestricted, depending on the existence and or nature of any donor restrictions. Student activity fees and parent fees are recognized in the period earned. Student activity fees and parent fees collected prior to year-end, if any, relating to the first half of the summer semester of the subsequent year, are recorded as unearned revenue.

State Grant - The Center receives a state grant provided that it adheres to the regulations set forth by the State Childcare Advisory Committee. Among other things, these regulations stipulate that the Center must (1) be licensed by New York City Board of Health; (2) have proper liability insurance; and (3) provide services to children of students. Funds are considered to be tuition subsidies paid on behalf of eligible parents. Revenue is recognized as expenses are incurred.

(f) Donated Space and Services

The Center operates on the campus of the College and utilizes facilities and equipment, as well as personnel services of certain College employees. The cost savings associated with such arrangements are recorded as donated space and services and is recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities and services (note 7).

(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.

(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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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 federal 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.

(k) Reclassifications

Reclassifications have been made to certain 2019 balances in order to conform them to the 2020 presentation.

(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, \$75,101 of the Center's bank balance of \$325,101 was exposed to custodial risk. The Center does not have a deposit policy.

(4) Accounts Receivable

Accounts receivable amounted to \$47,969 and \$248,245 as of June 30, 2020 and 2019, respectively. The amounts represent the amounts the Center was due from funding sources for expenditures incurred or services rendered in excess of payments received.

(5) New York State Grant

The Center is entitled to receive an allocation of state funds provided by The City University of New York (CUNY) for childcare programs. New York State Grant revenue amounted to \$235,119 and \$245,705 for the years ended June 30, 2020 and 2019, respectively.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(6) Student Activity Fees

The Center was entitled to receive funding from the John Jay College of Criminal Justice Student Activities Association, Inc., (the Association) in the amount of \$6.50 per student, for full-time students and \$6.00 per student, for part-time students in 2020 and 2019. This funding amounted to \$169,809 and \$185,057 for the years ended June 30, 2020 and 2019, respectively.

(7) Donated Space and Services

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

	<u>2020</u>	<u>2019</u>
Facilities	\$ 311,345	307,080
Salary and benefits for the Center's Director	<u>88,899</u>	<u>147,418</u>
	<u>\$ 400,244</u>	<u>454,498</u>

(8) Retirement Plan

The Center provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with one year of eligible experience. The Center contributes 5% of gross wages. Contributions to the plan during the years ended June 30, 2020 and 2019, were \$6,316 and \$9,091, respectively.

(9) Due From Related Parties

The Center has a grant managed through the Research Foundation of the City University of New York (the Research Foundation). The grant is used to reimburse payroll expenses for employees formerly paid through the Research Foundation. The total of such payments amounted to \$64,530 and \$91,687 for the years ended June 30, 2020 and 2019, respectively. The Association makes donations to the Center for support of their operations. The amount due from related parties at June 30, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Research Foundation	\$ 64,530	51,835
Association	72,969	96,961
College	<u>-</u>	<u>7,234</u>
	<u>\$ 137,499</u>	<u>156,030</u>

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(10) 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.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(10) 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.

CHILDREN'S CENTER OF JOHN JAY COLLEGE  
OF CRIMINAL JUSTICE, INC.

Notes to Financial Statements, Continued

(10) 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.

## REPORT TO THE BOARD

September 25, 2020

The Board of Directors  
Children's Center of John Jay College  
of Criminal Justice, Inc.

Dear Board Members:

We have audited the financial statements of Children's Center of John Jay College of Criminal Justice, Inc. (the Center) for the year ended June 30, 2020, and have issued our report thereon dated September 25, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2020, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

### Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of amounts due from related parties in note 9.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements detected as a result of our audit procedures.

### Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\* \* \* \* \*

This information is intended solely for the use of the Board of Directors and management of Children's Center of John Jay College of Criminal Justice, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC