

**BRONX COMMUNITY COLLEGE
ASSOCIATION, INC.**
**Financial Statements and
Supplementary Information**
June 30, 2020 and 2019
(With Independent Auditors' Report Thereon)

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 8
Financial Statements:	
Statements of Net Position	9
Statements of Revenue, Expenses and Changes in Net Position	10
Statements of Cash Flows	11 - 12
Notes to Financial Statements	13 - 18
Supplementary Schedules:	
City of New York Administration for Children's Services - Early Learn NYC:	
Schedule 1(A) - Statement of Revenue and Expenditures - Budgeted and Actual - ACS Funded - Early Learn	19
Schedule 1(B) - Statement of Revenue and Expenditures - Budgeted and Actual - ACS Funded - Other Than Early Learn	20
Schedule 1(C) - Statement of Revenue and Expenditures - Budgeted and Actual - Not ACS Funded	21
Schedule 4 - Schedule of Equipment Inventory	22
Schedule 5 - Schedule of Quantitative Program Results	23
Schedule 6 - Schedule of Due To or Due From ACS	24
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 <u>Government Auditing Standards</u>	25 - 26

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Bronx Community College Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Bronx Community College Association, Inc. (the Association) as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Association'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 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 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 Association'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 Association'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 Bronx Community College Association, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Association's basic financial statements. The accompanying supplementary information included in Schedules 1(A) through 6 is presented for purposes of additional analysis, and is not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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 , 2020, on our consideration of the Association'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 Association'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 the Association's internal control over financial reporting and compliance.

Williamsville, New York
, 2020

BRONX COMMUNITY COLLEGE ASSOCIATION, 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 Bronx Community College Association, Inc.'s (the Association) 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 footnotes.

Financial Highlights

- The Association's net position increased by \$333,460 or 9%.
- Operating revenue decreased by \$45,367 or 1%.
- Operating expenses decreased by \$30,035 or 1%.

Financial Position

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

Statements of Net Position

The following summarizes the Association'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>4,255,330</u>	<u>3,968,936</u>	<u>286,394</u>	7%
Liabilities	<u>393,860</u>	<u>440,926</u>	<u>(47,066)</u>	(11%)
Net position:				
Net investment in capital assets	20,134	28,682	(8,548)	(30%)
Unrestricted	<u>3,841,336</u>	<u>3,499,328</u>	<u>342,008</u>	10%
Total net position	\$ <u>3,861,470</u>	<u>3,528,010</u>	<u>333,460</u>	9%

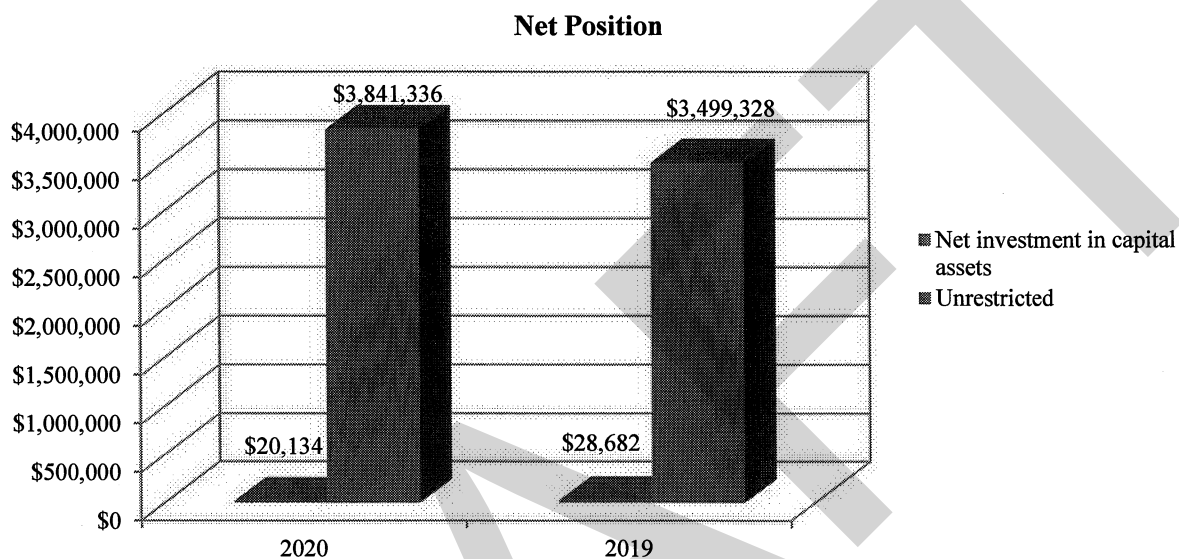
At June 30, 2020, the Association's total net position increased by \$333,460 or 9%, compared to the previous year. The major components of this variance were related to increases in cash and equivalents, accounts receivable and prepaid expenses, and due from other of \$1,062,038, \$45,208 and \$2,591, respectively. These increases were offset by a decrease in accounts payable and accrued expenses of \$56,087.

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

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis, Continued

The following illustrates the Association'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 Association, 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:				
Student activity fees	\$ 848,645	966,507	(117,862)	(12%)
Tuition	102,933	93,956	8,977	10%
Grants from governmental agencies	1,657,422	1,611,457	45,965	3%
Donated space and services	713,542	695,781	17,761	3%
Other	-	208	(208)	(100%)
Total operating revenue	3,322,542	3,367,909	(45,367)	(1%)
Nonoperating revenue - interest income	<u>15,572</u>	<u>814</u>	<u>14,758</u>	1,813%
Total revenue	\$ <u>3,338,114</u>	<u>3,368,723</u>	<u>(30,609)</u>	(1%)

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

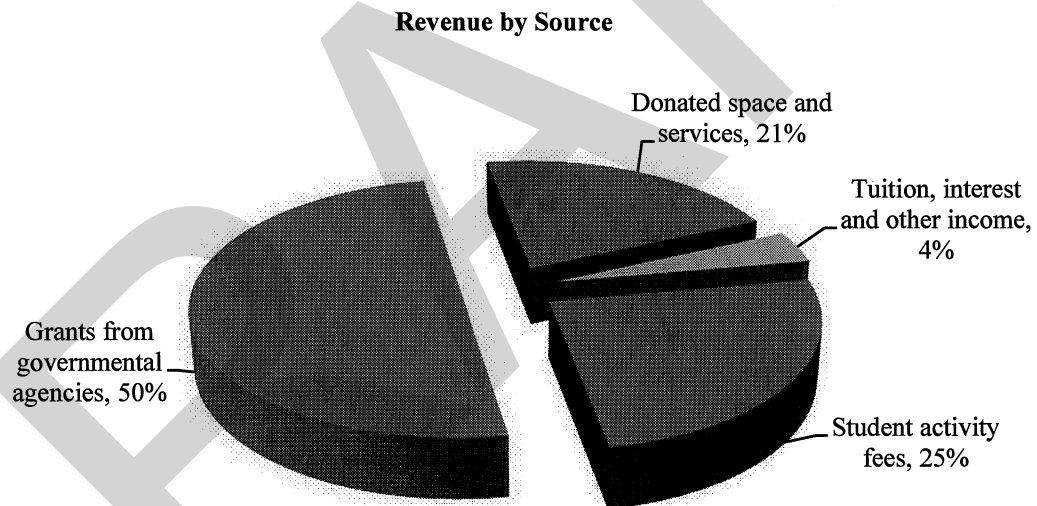
Management's Discussion and Analysis, Continued

The Association's total revenue for the year ended June 30, 2020 amounted to \$3,338,114, a decrease of \$30,609 or 1%, compared to the previous year. The major components of this variance were related to increases in grants from governmental agencies and tuition of \$45,965 and \$8,977, respectively, offset by a decrease in student activity fees of \$117,862.

Student activity fees and grants from governmental agencies represented a combined 75% of total revenue. Accordingly, the Association is dependent upon this level of support to carry out its operations.

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

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



BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis, Continued

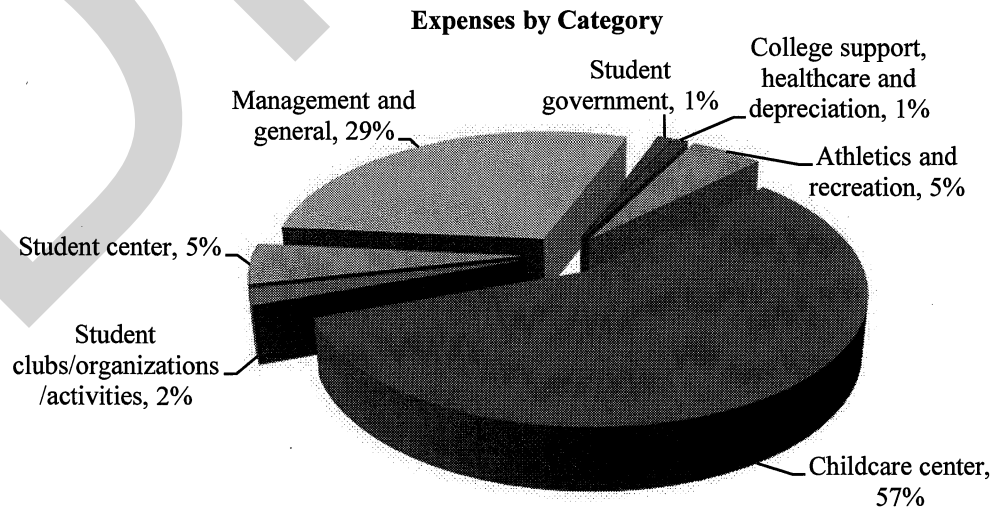
Expenses

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 39,640	68,904	(29,264)	(42%)
Athletics and recreation	134,966	139,892	(4,926)	(4%)
Student clubs/organizations/ activities	50,347	201,721	(151,374)	(75%)
Healthcare	13,289	4,444	8,845	199%
Student center	157,821	196,898	(39,077)	(20%)
Childcare center	1,720,457	1,549,742	170,715	11%
Management and general	873,181	857,513	15,668	2%
Depreciation	<u>14,173</u>	<u>14,795</u>	<u>(622)</u>	(4%)
Total operating expenses	3,003,874	3,033,909	(30,035)	(1%)
Nonoperating expenses - College support	<u>780</u>	<u>33,973</u>	<u>(33,193)</u>	(98%)
Total expenses	\$ <u>3,004,654</u>	<u>3,067,882</u>	<u>(63,228)</u>	(2%)

The Association's total expenses for the year ended June 30, 2020 amounted to \$3,004,654, a decrease of \$63,228 or 2%, compared to the previous year. The major components of this variance were related to increases in childcare center, management and general and healthcare of \$170,715, \$15,668 and \$8,845, respectively. These increases were offset by decreases in student government, athletics and recreation, student clubs/organizations/activities and student center expenses of \$29,264, \$4,926, \$151,374 and \$39,077, respectively.

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

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

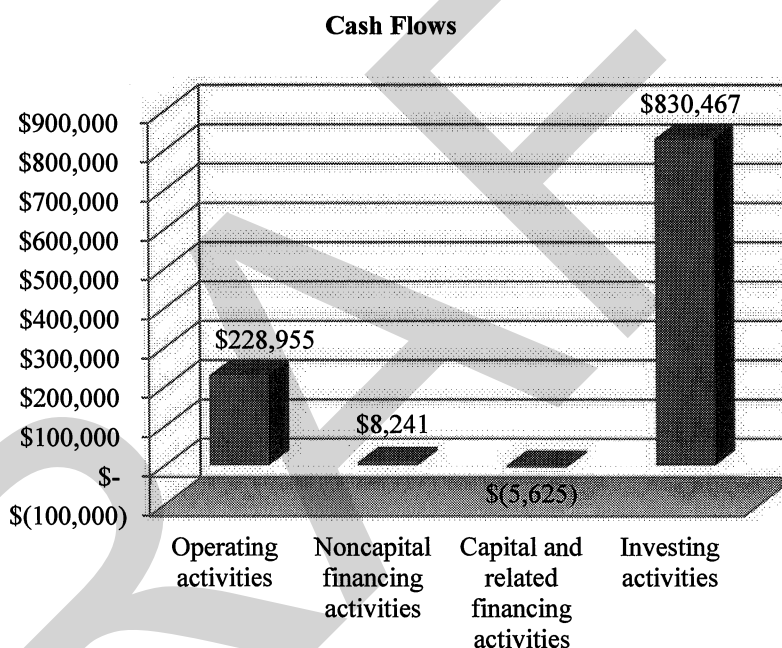


BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

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 in assessing the Association's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2020:



Economic Factors That May Affect the Future

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

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Net Position
June 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and equivalents	\$ 3,813,206	2,751,168
Investments, at fair value	-	814,895
Due from other	19,112	16,521
Accounts receivable and prepaid expenses	<u>402,878</u>	<u>357,670</u>
Total current assets	4,235,196	3,940,254
Noncurrent assets - capital assets, net	<u>20,134</u>	<u>28,682</u>
Total assets	<u>4,255,330</u>	<u>3,968,936</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	363,614	419,701
Due to other	<u>30,246</u>	<u>21,225</u>
Total liabilities	<u>393,860</u>	<u>440,926</u>
<u>Net Position</u>		
Net investment in capital assets	20,134	28,682
Unrestricted	<u>3,841,336</u>	<u>3,499,328</u>
Total net position	<u>\$ 3,861,470</u>	<u>3,528,010</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE ASSOCIATION, 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:		
Student activity fees	\$ 848,645	966,507
Tuition	102,933	93,956
Grants from governmental agencies	1,657,422	1,611,457
Donated space and services	713,542	695,781
Other	-	208
Total operating revenue	<u>3,322,542</u>	<u>3,367,909</u>
Operating expenses:		
Student government	39,640	68,904
Athletics and recreation	134,966	139,892
Student clubs/organizations/activities	50,347	201,721
Healthcare	13,289	4,444
Student center	157,821	196,898
Childcare center	1,720,457	1,549,742
Management and general	873,181	857,513
Depreciation	14,173	14,795
Total operating expenses	<u>3,003,874</u>	<u>3,033,909</u>
Income from operations	<u>318,668</u>	<u>334,000</u>
Nonoperating revenue (expenses):		
Interest income	15,572	814
College support	(780)	(33,973)
Total nonoperating expenses, net	<u>14,792</u>	<u>(33,159)</u>
Change in net position	333,460	300,841
Net position at beginning of year	<u>3,528,010</u>	<u>3,227,169</u>
Net position at end of year	<u>\$ 3,861,470</u>	<u>3,528,010</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE ASSOCIATION, 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:		
Student activity fees	\$ 914,498	900,654
Tuition	104,384	92,505
Grants from governmental agencies	1,537,787	1,523,882
Other	-	208
Cash payments to/for:		
Employees' salaries and benefits	(1,556,403)	(1,489,214)
Vendors	(771,311)	(688,174)
Net cash provided by operating activities	<u>228,955</u>	<u>339,861</u>
Cash flows from noncapital financing activities - receipts from (payments for) College support	<u>8,241</u>	<u>(29,828)</u>
Cash flows from capital and related financing activities - purchases of capital assets	<u>(5,625)</u>	<u>(10,822)</u>
Cash flows from investing activities:		
Interest income	15,572	814
Sale of investments	814,895	(814)
Net cash provided by investing activities	<u>830,467</u>	<u>-</u>
Net change in cash and equivalents	1,062,038	299,211
Cash and equivalents at beginning of year	<u>2,751,168</u>	<u>2,451,957</u>
Cash and equivalents at end of year	<u>\$ 3,813,206</u>	<u>2,751,168</u>

(Continued)

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Cash Flows, Continued

	<u>2020</u>	<u>2019</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 318,668	334,000
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	14,173	14,795
Changes in:		
Due from other	(2,591)	(14,258)
Accounts receivable and prepaid expenses	(45,208)	(149,308)
Accounts payable and accrued expenses	<u>(56,087)</u>	<u>154,632</u>
Net cash provided by operating activities	<u>\$ 228,955</u>	<u>339,861</u>

See accompanying notes to financial statements.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

The Bronx Community College Association, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Bronx Community College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Directors of the University and collected by the College on the Association's behalf. The Association was incorporated on February 24, 1984. The Association maintains a childcare center for preschool-aged children of students enrolled at the College. The childcare center's operating results are included with the Association's in the financial statements.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Association'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 Association 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 Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association'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 Association 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 Association or the passage of time.

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

At June 30, 2020, the Association had no restricted net position.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

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

(d) Investments

The Association's investments consist of certificates of deposit (Level 1 investments) which are reported at fair value in the statements of net position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statements of revenue, expenses and changes in net position. Total certificates of deposit at June 30, 2019 amounted to \$814,895; there were no certificates of deposit held at June 30, 2020.

(e) 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.

(f) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$5,000 or more for all equipment. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of equipment is five years.

(g) Revenue Recognition

Revenue derived from grants and student activity fees are recognized in the period earned. Grants and activity fees collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(h) Donated Space and Services

The Association operates on the campus of the College and utilizes certain facilities and equipment, and services of certain College employees made available to it. The estimated cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such space and services. For the years ended June 30, 2020 and 2019, the estimated fair values of donated space and services amounted to \$713,542 and \$695,781, respectively.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Functional Expenses

The costs of providing 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.

(j) 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.

(k) Subsequent Events

The Association 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 Association and its future results and financial position is not presently determinable.

(l) Income Taxes

The Association 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 Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association 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 Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(m) 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 Association's deposits may not be returned in the event of a bank failure. At June 30, 2020, \$3,621,857 of the Association's CitiBank bank balance of \$3,871,857 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(4) Capital Assets

At June 30, 2020 and 2019, capital assets consisted of the following:

	2020			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 65,247	5,625	-	70,872
Less accumulated depreciation	(36,565)	(14,173)	-	(50,738)
Capital assets, net	\$ <u>28,682</u>	<u>(8,548)</u>	<u>-</u>	<u>20,134</u>
	2019			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 60,906	10,822	(6,481)	65,247
Less accumulated depreciation	(28,251)	(14,795)	6,481	(36,565)
Capital assets, net	\$ <u>32,655</u>	<u>(3,973)</u>	<u>-</u>	<u>28,682</u>

(5) Related Party Transactions

College support represents related party transactions with the College in the amount of \$780 and \$33,973 for the years ended June 30, 2020 and 2019, respectively.

(6) 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

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

- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

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

- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- 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 Association. This Statement is not expected to have a material effect on the financial statements of the Association.

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Statement of Revenue and Expenditures - Budgeted and Actual -
ACS Funded - Early Learn
Year ended June 30, 2020

	Early Learn NYC					
	<u>Budget</u>	<u>Child Care</u>	<u>Child Care UPK</u>	<u>Total Early Learn (A)</u>	<u>Variance</u>	<u>Questioned Cost</u>
Revenue:						
Early Learn NYC revenue	\$ -	-	-	-	-	-
Parent fees	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-
Expenditures:						
Personnel cost:						
Salaries	-	-	-	-	-	-
Teacher's incentive	-	-	-	-	-	-
FICA	-	-	-	-	-	-
Health insurance	-	-	-	-	-	-
Substitutes	-	-	-	-	-	-
Total personnel cost	-	-	-	-	-	-
Other than personnel services (OTPS) - supplies	-	-	-	-	-	-
Total OTPS	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenue over expenditures	\$ -	-	-	-	-	-

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Statement of Revenue and Expenditures - Budgeted and Actual -
ACS Funded - Other Than Early Learn
Year ended June 30, 2020

	DOE CC UPK Enhancement	Total Other Than Early Learn (B)	[A + B] Total ACS Funded (C)
Revenue:			
Early Learn NYC revenue	\$ -	-	-
Parent fees	-	-	-
Total revenue	-	-	-
Expenditures:			
Personnel cost:			
Salaries	-	-	-
Teacher's incentive	-	-	-
FICA	-	-	-
Health insurance	-	-	-
Substitutes	-	-	-
Total personnel cost	-	-	-
Other than personnel services (OTPS) - supplies	-	-	-
Total OTPS	-	-	-
Total expenditures	-	-	-
Excess of revenue over expenditures	\$ -	-	-

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Statement of Revenue and Expenditures - Budgeted and Actual -
Not ACS Funded
Year ended June 30, 2020

	Not ACS Funded			
	Cash	In-kind	Sponsor's	Other
	Contribution	Contribution	Contribution	Funding
	(Head	(Head	(Other than	Source
	Start)	Start)	Head Start)	
	<u>CACFP</u>			
Revenue - CACFP	\$ -	-	-	-
Total revenue	-	-	-	-
Expenditures:				
Personnel cost:				
Salaries	-	-	-	-
FICA	-	-	-	-
Health insurance	-	-	-	-
Total personnel cost	-	-	-	-
Other than personnel services (OTPS) - supplies	-	-	-	-
Total OTPS	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenue over expenditures	\$ -	-	-	-

Schedule 4

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Schedule of Equipment Inventory
Year ended June 30, 2020

<u>Description</u>	<u>Quantity</u>	<u>Serial Number</u>	<u>Date Purchased</u>	<u>Cost</u>
<u>Current Year Purchases</u>				
No inventory noted	N/A	N/A	N/A	\$ -
<u>Prior Year Inventory</u>				
No inventory noted	N/A	N/A	N/A	-
Total equipment inventory				<u>\$ -</u>

Schedule 5

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Schedule of Quantitative Program Results
Year ended June 30, 2020

ENROLLMENT

(1) Contracted slots per site		
Bronx Community College Early Childhood Center		-
(2) Number of classrooms per site		
Bronx Community College Early Childhood Center		-
(3) Number of children enrolled by site		
Bronx Community College Early Childhood Center		-
(4) Number of children in attendance by site		
Bronx Community College Early Childhood Center		-
(5) The average attendance for contract by site (#4 divided by #3)		
Bronx Community College Early Childhood Center		0%

COST

(1) Total expense for the contract (Total expenditures from Schedule 1(A))	\$	-
(2) Total expense by site		
Bronx Community College Early Childhood Center	\$	-
(3) Average cost slots (Total expense/Total attendance by site)	\$	-
(4) Average cost per site (Total expense by site/Attendance by site)		
Bronx Community College Early Childhood Center	\$	-

Schedule 6

BRONX COMMUNITY COLLEGE ASSOCIATION, INC.
City of New York Administration for Children's Services - Early Learn NYC
Schedule of Due To or Due From ACS
Year ended June 30, 2020

Due to or due from ACS at June 30, 2019	\$ -
Add funds available:	
Cash received/advances from ACS	-
Parent fees	-
Other revenue (disability, interest, etc.)	-
Total funds available	-
Less allowable expenditures:	
Expenditures	-
Less - accrued vacation	-
Less - accrued vacation - FICA	-
Less - questioned costs	-
Total allowable expenditures	-
Due to or due from ACS at June 30, 2020	\$ -

**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**

The Board of Directors
Bronx Community College Association, Inc.:

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 Bronx Community College Association, Inc. (the Association), which comprise the statement of net position as of June 30, 2020, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated _____, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 Association'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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williamsville, New York
, 2020

REPORT TO THE BOARD

, 2020

The Board of Directors
Bronx Community College Association, Inc.

Dear Board Members:

We have audited the financial statements of Bronx Community College Association, Inc. (the Association) as of and for the year ended June 30, 2020, and have issued our report thereon dated , 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, 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 Association 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 Association 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 disclosures affecting the financial statements were the disclosures of custodial credit risk in note 3 and related party transactions in note 5.

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 Association'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 Association'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 Bronx Community College Association, 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