

GSUC CHILD DEVELOPMENT
AND LEARNING CENTER, INC.

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of GSUC Child Development and Learning Center, Inc. (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 GSUC Child Development and Learning Center, Inc. as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

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

EFPR Group, CPAs, PLLC

Williamsville, New York
September 25, 2020

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, 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 GSUC Child Development and Learning Center, 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 \$1,325 or 4.62%.
- Operating revenue increased by \$53,978 or 9.79%.
- Operating expenses increased by \$6,301 or 1.04%.

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>193,381</u>	<u>99,607</u>	<u>93,774</u>	94.14%
Liabilities	<u>163,367</u>	<u>70,918</u>	<u>92,449</u>	130.36%
Unrestricted net position	\$ <u>30,014</u>	<u>28,689</u>	<u>1,325</u>	4.62%

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

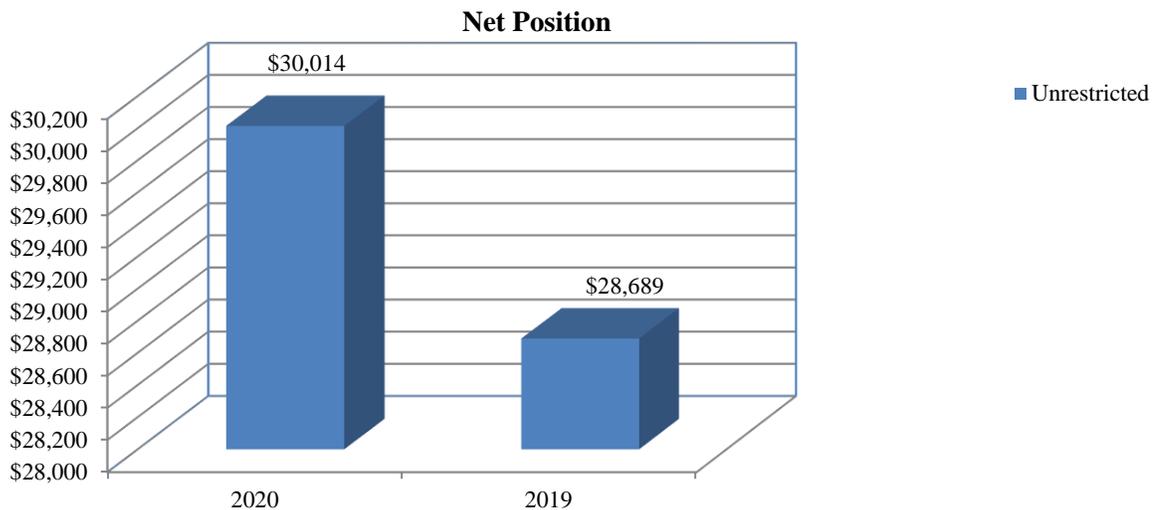
Management's Discussion and Analysis, Continued

At June 30, 2020, the Center's total net position increased by \$1,325 or 4.62% compared to the previous year.

Assets increased by \$93,774 or 94.14%, compared to the previous year. This is primarily the result of an increase in a grant receivable from New York State. Liabilities increased by \$92,449 or 130.36% primarily as a result of a loan of \$90,000 from the Graduate School and University Center Auxiliary Enterprises Corp., a Graduate Center related party, to the Center for salary expenses.

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:



GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Management's Discussion and Analysis, Continued

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:				
Government contract	\$ 115,213	140,488	(25,275)	(17.99%)
Contributions	551	11,350	(10,799)	(95.15%)
Child care fees	110,041	127,768	(17,727)	(13.87%)
Donated services from Graduate Center	200,848	106,799	94,049	88.06%
Donated space	<u>178,490</u>	<u>164,760</u>	<u>13,730</u>	8.33%
Total operating revenue	<u>605,143</u>	<u>551,165</u>	<u>53,978</u>	9.79%
Nonoperating revenue:				
Interest income	-	160	(160)	(100.00%)
Other - proceeds from Graduate Center DSC	<u>10,000</u>	<u>9,000</u>	<u>1,000</u>	11.11%
Total nonoperating revenue	<u>10,000</u>	<u>9,160</u>	<u>840</u>	9.17%
Total revenue	\$ <u>615,143</u>	<u>560,325</u>	<u>54,818</u>	9.78%

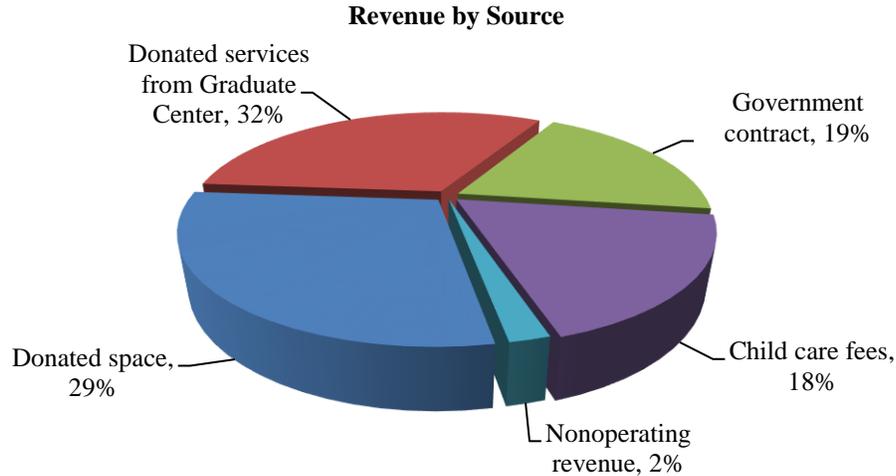
The Center's total revenue for the year ended June 30, 2020 was \$615,143, an increase of \$54,818 or 9.78%, compared to the previous year. Government contract revenue decreased by \$25,275 or 17.99% due to a new formula for allocation of grants from CUNY. For the year ended June 30, 2020, contributions decreased by \$10,799 or 95.15%. This variance was primarily due to lower contributions and less fundraising events in fiscal year 2020. Child care fees for tuition income decreased by \$17,727 or 13.87%.

For the year ended June 30, 2020, government contract and child care fees represented approximately 19% and 18% of total revenue, respectively, and accordingly, the Center is dependent upon this level of operational support.

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

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.
Management's Discussion and Analysis, Continued

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



Expenses

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Program services	\$ 406,475	453,308	(46,833)	(10.33%)
Supporting services	<u>207,343</u>	<u>154,209</u>	<u>53,134</u>	34.46%
Total operating expenses	\$ <u>613,818</u>	<u>607,517</u>	<u>6,301</u>	1.04%

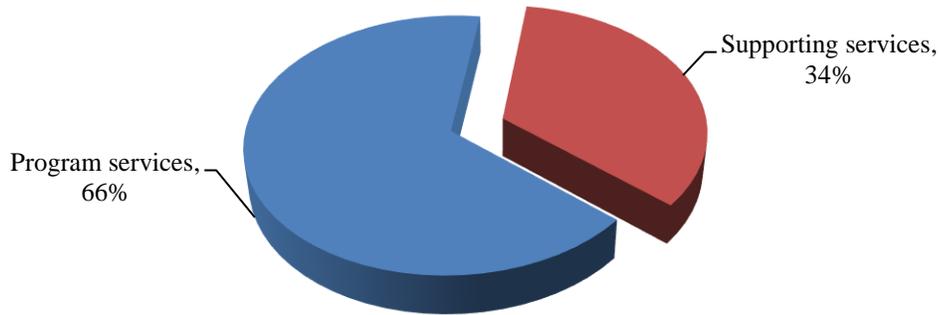
The Center's total operating expenses for the year ended June 30, 2020 were \$613,818, an increase of \$6,301 or 1.04%, compared to the previous year. For the year ended June 30, 2020, there was a decrease of program services due to decrease of salary expense of \$75,487 or 28.75% and consulting fees \$20,684 or 92.67%. This was offset by an increase in contributed services of \$37,619 or 88.06%. No new capital assets were purchased in fiscal year 2020.

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

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.
Management's Discussion and Analysis, Continued

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

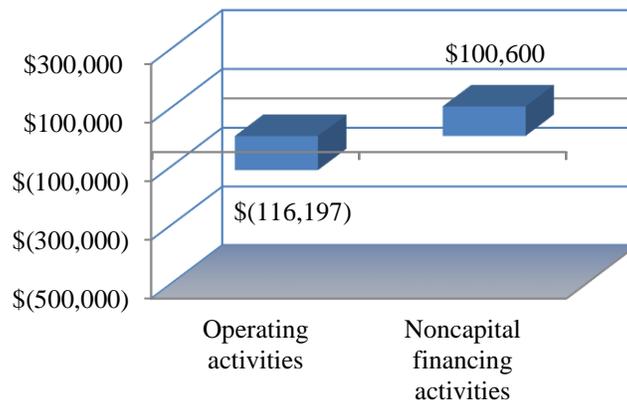
Expenses by Category



Cash Flows

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

Cash Flows



GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Management's Discussion and Analysis, Continued

Economic Factors That May Affect the Future

The Center depends on tuition and fees and an annual New York State allocation to fund its operations. The Center revenue is projected to significantly decrease during the next fiscal year due to COVID-19. The downward trend is expected to continue until the fall of 2021. Decreases in revenue would be offset by a corresponding decrease in expenditures. There are no additional currently known factors that are expected to have a significant effect on the financial position of the Center.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.
 Statements of Net Position
 June 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash	\$ 6,822	22,419
Accounts receivable	115,213	5,918
Prepaid expenses	1,267	1,135
Advances to CUNY Research Foundation	<u>70,079</u>	<u>70,135</u>
Total assets	<u>193,381</u>	<u>99,607</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	7,767	-
Due to related parties	155,600	65,000
Unearned revenue	<u>-</u>	<u>5,918</u>
Total liabilities	<u>163,367</u>	<u>70,918</u>
<u>Net Position</u>		
Unrestricted	<u>\$ 30,014</u>	<u>28,689</u>

See accompanying notes to financial statements.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, 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:		
Government contract	\$ 115,213	140,488
Contributions	551	11,350
Child care fees	110,041	127,768
Donated services from Graduate Center (note 4)	200,848	106,799
Donated space (note 4)	<u>178,490</u>	<u>164,760</u>
Total operating revenue	<u>605,143</u>	<u>551,165</u>
Operating expenses:		
Program services:		
Salaries and related expenses	187,082	262,569
Donated space (note 4)	124,943	115,332
Insurance	7,787	6,200
Consulting	1,635	22,319
Fellowship awards	1,980	-
Supplies	2,702	4,016
Meetings	-	95
Postage	7	57
Donated services (note 4)	<u>80,339</u>	<u>42,720</u>
Total program services	<u>406,475</u>	<u>453,308</u>
Supporting services:		
Salaries and related expenses	20,787	29,175
Professional fees	200	400
Donated space (note 4)	53,547	49,428
Meetings	-	5
Donated services (note 4)	120,509	64,079
Bad debt expense	-	645
Miscellaneous	<u>12,300</u>	<u>10,477</u>
Total supporting services	<u>207,343</u>	<u>154,209</u>
Total operating expenses	<u>613,818</u>	<u>607,517</u>
Loss from operations	<u>(8,675)</u>	<u>(56,352)</u>
Nonoperating revenue:		
Interest income	-	160
Other revenue	<u>10,000</u>	<u>9,000</u>
Total nonoperating revenue	<u>10,000</u>	<u>9,160</u>
Change in net position	1,325	(47,192)
Net position at beginning of year	<u>28,689</u>	<u>75,881</u>
Net position at end of year	<u>\$ 30,014</u>	<u>28,689</u>

See accompanying notes to financial statements.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, 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:		
Government contract	\$ -	140,488
Contributions	551	11,350
Child care fees	110,041	133,186
Cash payments to/for:		
Salaries and related expenses	(207,869)	(295,924)
Vendors	<u>(18,920)</u>	<u>(78,836)</u>
Net cash used in operating activities	<u>(116,197)</u>	<u>(89,736)</u>
Cash flows from noncapital financing activities:		
Proceeds of loan from Graduate Center Auxiliary Enterprise Corp.	90,000	65,000
Proceeds from general fund	600	-
Proceeds from Doctoral and Graduate Students' Council	<u>10,000</u>	<u>9,000</u>
Net cash provided by noncapital financing activities	<u>100,600</u>	<u>74,000</u>
Cash flows from investing activities - interest income	<u>-</u>	<u>160</u>
Net change in cash	(15,597)	(15,576)
Cash at beginning of year	<u>22,419</u>	<u>37,995</u>
Cash at end of year	<u>\$ 6,822</u>	<u>22,419</u>
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	(8,675)	(56,352)
Adjustments to reconcile loss from operations to net cash used in operating activities - changes in:		
Accounts receivable	(109,295)	(2,570)
Prepaid expenses	(132)	340
Advances to CUNY Research Foundation	56	(35,953)
Accounts payable and accrued expenses	7,767	(619)
Unearned revenue	<u>(5,918)</u>	<u>5,418</u>
Net cash used in operating activities	<u>\$ (116,197)</u>	<u>(89,736)</u>

See accompanying notes to financial statements.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

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

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

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

(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 and 2019, the Center had no net investment in capital assets or restricted net position.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, 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) 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) Advances to the CUNY Research Foundation

Advances to the Research Foundation of the City University of New York (the Research Foundation) consist of funds provided to the Research Foundation for salary and related expenses that were not spent at the end of the fiscal year. All advances are expected to be spent in the next fiscal year.

(f) Unearned Revenue and Revenue Recognition

Revenues are primarily derived from a government grant and child care fees according to a fee schedule and are recognized when child care services are provided. Revenues are recognized in the period earned. Revenue collected prior to year-end, if any, relating to the subsequent year, is recorded as unearned revenue.

(g) Government Contract

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

(h) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Center. Contributions that are restricted by the donor are reported as increases in unrestricted net position if the restrictions expire within the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in restricted - expendable or restricted - non-expendable net position depending on the nature of the restrictions. When a restriction expires, restricted - expendable net position is reclassified to unrestricted net position.

(i) In-Kind Contributions

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

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Donated Space and Services

The Center operates on the campus of the College and utilizes facilities and professional services provided by the College. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities and services (note 4).

(k) 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.

(l) 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.

(m) 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.

(n) Income Taxes

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

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements, Continued

(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, none of the Center's bank balance was exposed to custodial credit risk as it was fully insured.

(4) Donated Space and Services

The Center utilizes certain facilities and professional services provided by the College at no cost. Donated services from the Graduate Center consist of salary and related expenses for the Director of GSUC Child Development and Learning Center, Inc. The estimated fair values of the facilities and professional services amounted to \$379,338 and \$271,559 for the years ended June 30, 2020 and 2019, respectively. These donated space and services are included in both revenue and expenses in the accompanying statements of revenue, expenses and changes in net position.

	<u>2020</u>	<u>2019</u>
Facilities	\$ 178,490	164,760
Professional services	<u>200,848</u>	<u>106,799</u>
	\$ <u>379,338</u>	<u>271,559</u>

(5) Related Party Transactions

The Graduate School and University Center Auxiliary Enterprises (the Auxiliary) is a separate entity that receives and holds economic resources for the benefit of The Graduate School and University Center for the City University of New York.

At June 30, 2020 and 2019, the Center had advances to the Research Foundation that amounted to \$70,079 and \$70,135, respectively.

During fiscal year 2020, the Auxiliary provided a loan of \$90,000 to cover a portion of the Center's staff payroll expenses. During fiscal year 2019, the Auxiliary provided a loan of \$65,000 to cover a portion of the Center's staff payroll expenses. At June 30, 2020 and 2019, the amount of the loan outstanding was \$155,000 and \$65,000, respectively.

Additionally, at June 30, 2020, the Center had an amount of \$600 due to the GSUC general fund.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements, Continued

(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 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.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements, Continued

(6) 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.

GSUC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

Notes to Financial Statements, Continued

(6) 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.