

**Child Care Council of Westchester, Inc.**

Financial Statements

June 30, 2022 and 2021

## **Independent Auditors' Report**

**Board of Directors**  
**Child Care Council of Westchester, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of Child Care Council of Westchester, Inc. (the "Council"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PKF O'Connor Davies, LLP*

October 24, 2022

**Child Care Council of Westchester, Inc.**

Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 981,729	\$ 963,352
Investments	1,508,143	1,203,077
Accounts receivable	1,790,542	1,228,793
Prepaid expenses and other assets	<u>8,409</u>	<u>9,147</u>
	<u>\$ 4,288,823</u>	<u>\$ 3,404,369</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 936,059	\$ 924,204
PPP refundable advance	-	435,062
Deferred rent	<u>111,436</u>	<u>118,089</u>
Total Liabilities	<u>1,047,495</u>	<u>1,477,355</u>
Net Assets		
Without donor restrictions	2,328,326	1,303,209
With donor restrictions	<u>913,002</u>	<u>623,805</u>
Total Net Assets	<u>3,241,328</u>	<u>1,927,014</u>
	<u>\$ 4,288,823</u>	<u>\$ 3,404,369</u>

See notes to financial statements

**Child Care Council of Westchester, Inc.**

Statements of Activities

	Year Ended June 30,	
	2022	2021
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>OPERATING REVENUE</b>		
Program revenue	\$ 8,120,005	\$ 9,346,437
Contributions	32,080	132,623
Other income	6,414	12,954
Special events, net of direct expenses of \$57,746 and \$25,712	155,306	126,470
Investment return	(72,086)	55,503
CARES Act stimulus revenue	435,062	-
Net assets released from restriction	362,073	233,500
Total Operating Revenue	9,038,854	9,907,487
<b>OPERATING EXPENSES</b>		
Program services	7,096,329	8,890,459
General and administrative	788,149	596,037
Fundraising	129,259	117,888
Total Operating Expenses	8,013,737	9,604,384
Change in Net Assets Without Donor Restrictions	1,025,117	303,103
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	769,751	235,122
Investment return	(118,481)	69,859
Net assets released from restriction	(362,073)	(233,500)
Change in Net Assets With Donor Restrictions	289,197	71,481
Change in Net Assets	1,314,314	374,584
<b>NET ASSETS</b>		
Beginning of year	1,927,014	1,552,430
End of year	\$ 3,241,328	\$ 1,927,014

See notes to financial statements

**Child Care Council of Westchester, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services					Total Program Services	General and Administrative	Fundraising	Direct Costs of Special Events	Total Expenses
	Family and Employer Services	Provider Services	Professional Development	Health Services	Scholarships					
Salaries	\$ 260,995	\$ 728,388	\$ 731,573	\$ 76,590	\$ 61,836	\$ 1,859,382	\$ 576,460	\$ 116,450	\$ -	\$ 2,552,292
Fringe benefits	27,554	85,094	74,019	6,355	6,772	199,794	65,345	12,809	-	277,948
Total Salaries and Fringe Benefits	288,549	813,482	805,592	82,945	68,608	2,059,176	641,805	129,259	-	2,830,240
Professional fees and services	11,485	35,041	649,172	1,703	4,427	701,828	53,361	-	-	755,189
Payments to individuals and groups	-	-	31,038	-	-	31,038	-	-	-	31,038
Provider grant expenditure	5	114,037	69,957	-	3	184,002	247	-	-	184,249
Supplies	3,750	38,099	7,085	149	1,040	50,123	3,450	-	-	53,573
Staff training and development	4,286	10,259	7,857	21	1,416	23,838	8,423	-	-	32,261
Postage	586	6,835	46	78	-	7,545	580	-	-	8,125
Publicity and promotion	2,228	4,798	2,072	-	1,678	10,776	2,728	-	-	13,504
Recruitment	499	-	1,000	-	106	1,605	519	-	-	2,124
Telephone	2,129	5,890	1,863	149	638	10,669	1,542	-	-	12,211
Rent and utilities	59,272	181,341	54,440	-	15,820	310,873	32,495	-	-	343,368
Child and adult care food meal expenses and other	-	2,903,806	-	-	-	2,903,806	-	-	-	2,903,806
Equipment and rentals	7,464	23,858	9,611	749	3,614	45,296	6,825	-	-	52,121
Travel	360	3,300	15,274	777	9	19,720	292	-	-	20,012
Printing	2,112	6,514	1,779	-	933	11,338	1,306	-	-	12,644
Insurance	3,524	10,855	5,067	-	1,049	20,495	2,439	-	-	22,934
Workshop and conferences	-	-	11,703	982	-	12,685	94	-	-	12,779
Dues, publications and subscriptions	1,609	3,811	1,455	-	665	7,540	2,607	-	-	10,147
Maintenance	1,650	5,027	1,571	-	591	8,839	1,155	-	-	9,994
Scholarships	-	-	-	-	668,295	668,295	19,000	-	-	687,295
Special events	-	-	-	-	-	-	-	-	57,746	57,746
Miscellaneous	819	3,159	2,296	292	276	6,842	9,281	-	-	16,123
Total Expenses	390,327	4,170,112	1,678,877	87,845	769,168	7,096,329	788,149	129,259	57,746	8,071,483
Expenses Deducted Directly from Revenues on the Statement of Activities										
Direct cost of special events	-	-	-	-	-	-	-	-	(57,746)	(57,746)
Total Expenses Reported by Function	\$ 390,327	\$ 4,170,112	\$ 1,678,877	\$ 87,845	\$ 769,168	\$ 7,096,329	\$ 788,149	\$ 129,259	\$ -	\$ 8,013,737

**Child Care Council of Westchester, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Services					Total Program Services	General and Administrative	Fundraising	Direct Costs of Special Events	Total Expenses
	Family and Employer Services	Provider Services	Professional Development	Health Services	Scholarships					
Salaries	\$ 276,522	\$ 605,369	\$ 580,657	\$ 76,369	\$ -	\$ 1,538,917	\$ 440,176	\$ 98,082	\$ -	\$ 2,077,175
Fringe benefits	28,951	69,745	57,005	6,428	-	162,129	49,288	10,789	-	222,206
Total Salaries and Fringe Benefits	305,473	675,114	637,662	82,797	-	1,701,046	489,464	108,871	-	2,299,381
Professional fees and services	7,867	29,490	566,887	-	1,796	606,040	13,440	-	-	619,480
Payments to individuals and groups	199	133	168,088	98	-	168,518	375	-	-	168,893
Provider grant expenditure	519,279	370,609	930,520	255,350	-	2,075,758	1,355	-	-	2,077,113
Supplies	2,196	11,044	7,150	286	-	20,676	1,589	-	-	22,265
Staff training and development	2,020	4,656	6,494	423	-	13,593	807	-	-	14,400
Postage	221	6,549	125	1	-	6,896	2,080	-	-	8,976
Publicity and promotion	3,974	9,651	2,434	-	-	16,059	62	-	-	16,121
Recruitment	5	5	8	3	-	21	1,256	-	-	1,277
Telephone	2,936	7,252	3,523	115	-	13,826	1	-	-	13,827
Rent and utilities	71,883	188,161	44,755	-	-	304,799	61,561	-	-	366,360
Child and adult care food meal expenses and other	-	2,210,325	-	-	-	2,210,325	-	-	-	2,210,325
Equipment and rentals	6,180	16,667	5,420	798	-	29,065	3,375	-	-	32,440
Travel	64	570	6,653	412	-	7,699	49	-	-	7,748
Printing	1,916	4,927	1,205	-	-	8,048	734	-	-	8,782
Insurance	4,411	11,452	4,023	-	-	19,886	1,704	-	-	21,590
Workshop and conferences	-	-	11,022	-	-	11,022	-	-	-	11,022
Dues, publications and subscriptions	1,494	2,888	809	-	-	5,191	2,354	-	-	7,545
Maintenance	2,411	6,198	1,438	-	-	10,047	1,002	-	-	11,049
Scholarships	-	-	-	-	1,652,109	1,652,109	10,000	-	-	1,662,109
Special events	-	-	-	-	-	-	-	9,017	25,712	34,729
Miscellaneous	989	2,568	6,139	139	-	9,835	4,829	-	-	14,664
Total Expenses	933,518	3,558,259	2,404,355	340,422	1,653,905	8,890,459	596,037	117,888	25,712	9,630,096
Expenses Deducted Directly from Revenues on the Statement of Activities										
Direct cost of special events	-	-	-	-	-	-	-	-	(25,712)	(25,712)
Total Expenses Reported by Function	\$ 933,518	\$ 3,558,259	\$ 2,404,355	\$ 340,422	\$ 1,653,905	\$ 8,890,459	\$ 596,037	\$ 117,888	\$ -	\$ 9,604,384

See notes to financial statements

Child Care Council of Westchester, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,314,314	\$ 374,584
Adjustments to reconcile change in net assets to net cash from operating activities		
Deferred rent	(6,653)	(3,748)
Realized and unrealized loss (gain) on investments	210,473	(113,173)
Change in operating assets and liabilities		
Accounts receivable	(561,749)	792,673
Prepaid expenses and other assets	738	(2,749)
Paycheck Protection Program refundable advance	(435,062)	-
Accounts payable and accrued expenses	<u>11,855</u>	<u>33,228</u>
Net Cash from Operating Activities	<u>533,916</u>	<u>1,080,815</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(524,934)	(255,012)
Proceeds from sale of investments	<u>9,395</u>	<u>41,921</u>
Net Cash from Investing Activities	<u>(515,539)</u>	<u>(213,091)</u>
Net Change in Cash	18,377	867,724
<b>CASH</b>		
Beginning of year	<u>963,352</u>	<u>95,628</u>
End of year	<u>\$ 981,729</u>	<u>\$ 963,352</u>

See notes to financial statements



## **Child Care Council of Westchester, Inc.**

Notes to Financial Statements  
June 30, 2022 and 2021

### **1. Organization**

The Child Care Council of Westchester, Inc. (the "Council"), founded in 1968, is a private, nonprofit resource and referral organization dedicated to optimizing the quality of life for children and working parents in Westchester County, NY. The Council promotes child care by offering training and support services for potential or established child care providers including family child care providers, child care centers and school age care programs.

The Council is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure 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.

#### ***Net Assets***

##### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. This class also includes restricted gifts whose donor-imposed restrictions were met within the same year as received the donated assets for either specified or unspecified purposes.

##### ***Net Assets With Donor Restrictions***

Net assets with donor restrictions are those resulting from contributions and other inflows of assets whose use by the Council is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Council pursuant to those stipulations. The Council reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Council to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Council has no net assets to be maintained in perpetuity.

## **Child Care Council of Westchester, Inc.**

Notes to Financial Statements  
June 30, 2022 and 2021

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Fair Value Measurement***

The Council follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The value by input level of the Council's investments is included in Note 3 to the financial statements.

#### ***Investments and Investment Income***

Investments are carried at fair value, except for certificates of deposits and money market funds which are valued at cost. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses are included in the change in net assets. Investment income or loss is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law, when earned.

#### ***Accounting for Uncertainty in Income Taxes***

The Council recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Council had no uncertain tax positions that would require financial statement recognition or disclosure. The Council is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal year 2019.

#### ***Contributions***

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions. The Council's policy is to report contributions with donor-imposed restrictions as without donor restrictions when those restrictions are met in the same year that the contributions are received.

#### ***Allowance for Doubtful Accounts***

Allowances are recorded when appropriate. The determination of an allowance is an estimate based on the Council's historical experience, review of account balances and expectations relative to collections. At June 30, 2022 and 2021 the Council determined that an allowance was not necessary.

## Child Care Council of Westchester, Inc.

Notes to Financial Statements  
June 30, 2022 and 2021

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most of these expenses are allocated based on an assessment of where employees' time is spent. Certain expenses are allocated on a square footage basis.

#### ***Revenue Recognition***

The Council receives substantially all of its program revenue, including grants, contracts and program service fees, from state and local government agencies. Revenue from contract and grants are recognized as related expenses are incurred. Fees for service revenue are recognized when services are provided. Fees for service revenue is recorded at the amount that reflects the consideration to which the Council expects to be entitled in exchange for providing services. Revenue for performance obligations satisfied at a point in time is recognized when services are provided, and the Council does not believe it is required to provide additional services. As of July 1, 2020, accounts receivable, net was \$2,021,466.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 24, 2022.

### 3. Investments

Investments at June 30, 2022 and 2021, categorized according to the fair value hierarchy for those investments measured at fair value, are as follows:

	2022	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Total
Mutual funds	\$ 25,157	\$ 25,157
Exchange-traded funds and closed-end funds	<u>540,866</u>	<u>540,866</u>
	<u>\$ 566,023</u>	566,023
Certificate of deposit, at cost		894,709
Money market funds, at cost		<u>47,411</u>
		<u>\$ 1,508,143</u>

**Child Care Council of Westchester, Inc.**

Notes to Financial Statements  
June 30, 2022 and 2021

**3. Investments (continued)**

	2021	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Total
Mutual funds	\$ 329,979	\$ 329,979
Exchange-traded funds and closed-end funds	377,534	377,534
	\$ 707,513	707,513
Certificate of deposit, at cost		468,084
Money market funds, at cost		27,480
		\$ 1,203,077

Investment (loss) return for the years ended June 30, 2022 and 2021 is as follows:

	2022	2021
Unrealized (loss) gain on investments	\$ (233,821)	\$ 94,444
Realized gain on sale of investments	23,348	18,729
Dividends and interest	27,772	17,990
Investment fees	(7,866)	(5,801)
	\$ (190,567)	\$ 125,362

**4. Commitments and Contingencies**

Under a financing arrangement with a bank, the Council has secured a letter of credit for \$32,583 to guarantee the security deposit owed on the Council's leased property. No amount has been drawn on this letter of credit as of June 30, 2022 and 2021. As a result of the issuance of the letter of credit, the maximum amount available for borrowing under the Council's existing \$450,000 line of credit is \$417,417. The annual interest rate on the financing arrangement is the prime rate published in the Wall Street Journal plus 1%. There is no amount outstanding on the line of credit at June 30, 2022 and 2021.

On April 4, 2008, the Council entered into a cancelable 10-year premises lease which commenced August 1, 2008. In November 2016, the Council renewed its lease agreement for an additional 10 years which now expires in November 2028. The agreement has a cancellation option to terminate the lease effective November 30, 2025.

## Child Care Council of Westchester, Inc.

Notes to Financial Statements  
June 30, 2022 and 2021

### 4. Commitments and Contingencies (*continued*)

Future minimum base rentals on the lease at June 30, 2022 are payable as follows for years ending June 30:

2023	\$ 277,574
2024	280,478
2025	283,382
2026	286,286
2027	289,190
Thereafter	414,304
Total Minimum Lease Payments	<u>\$ 1,831,214</u>

The lease provides for certain operating and real estate tax escalations annually. Also, there are options to lease additional space and to extend the lease term. The Council accounts for rent expense on a straight-line basis with the difference between straight-line and cash basis rentals reflected within deferred rent on the statements of financial position.

The Council contracts with various governmentally funded programs that are subject to audit. Governmental funding is based upon allowable costs. The Council does not reflect any adjustment for potential disallowances of expenses since management believes that the expenses incurred in such programs should be treated as allowable costs.

The Council is not aware of any allegations of noncompliance with laws and regulations that could have a material adverse effect on the amounts recorded in the financial statements. In addition, management believes the Council has an effective compliance program in place to assist in complying with current laws and regulations and is compliance, in all material respects, with applicable laws and regulations.

### 5. PPP Refundable Advance

On April 22, 2020, the Council received proceeds under the Paycheck Protection Program in the amount of \$435,062. This program, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest is forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The Council has elected to report the loan proceeds as a conditional grant under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made." Accordingly, the Council recognizes income as the conditions of the PPP are met. For the year ended June 30, 2022, the Council recognized \$435,062 of PPP loan proceeds as CARES Act stimulus revenue in the statement of activities as the Council received full forgiveness of the PPP refundable advance.

## Child Care Council of Westchester, Inc.

Notes to Financial Statements  
June 30, 2022 and 2021

### 6. Pension Plan

The Council maintains a 403(b) pension plan. For each plan year the Council makes a basic contribution according to the following schedule on behalf of eligible participants:

<u>Years of Service</u>	<u>Employer Nonelective Contribution Percentage</u>
0 to 2	0% of Participants' Compensation
3 to 4	2% of Participants' Compensation
5 or more	3% of Participants' Compensation

Total pension expense for the years ended June 30, 2022 and 2021 was \$50,013 and \$42,633. The Council's pension plan includes a Roth Elective Deferral Contribution clause, which allows employees to make after tax contributions to the plan.

### 7. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Scholarships	\$ 274,432	\$ 373,212
Employee and program resource enhancements	<u>638,570</u>	<u>250,593</u>
	<u>\$ 913,002</u>	<u>\$ 623,805</u>

Net assets released from restrictions during fiscal years 2022 and 2021 for scholarships amounted to \$112,715 and \$13,512 and for employee and program resource enhancements \$249,358 and \$219,988.

### 8. Economic Dependence

The Council receives a significant portion of its operating revenue from the New York State Office of Children and Family Services, New York State Department of Health and Westchester County. Program revenue from New York State and Westchester County aggregated approximately \$9,000,000 in 2022 and 2021. The Council is economically dependent on these funds to continue these programs.

### 9. Concentration of Credit Risk

Financial instruments that potentially subject the Council to concentrations of credit risk consist primarily of cash accounts deposited in financial institutions, which, from time to time, may exceed federal insurance limits, accounts receivable and investments. The investment portfolio is diversified by type of investment and industry concentration so that no individual investment or group of investments represents a significant concentration of market risk. Management believes that the Council does not face a significant risk of loss on these accounts and has not experienced any losses on its cash deposits.

**Child Care Council of Westchester, Inc.**

Notes to Financial Statements  
June 30, 2022 and 2021

**9. Concentration of Credit Risk (continued)**

The Council provides program services that are covered under various third party payer agreements. Receivables from such arrangements are included in accounts receivable balance at June 30, 2022 and 2021. Collections are expected in the normal course of business.

**10. Liquidity and Availability of Resources**

The Council's financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30:

	2022	2021
Financial assets:		
Cash	\$ 981,729	\$ 963,352
Investments	1,508,143	1,203,077
Accounts receivable	1,790,542	1,228,793
Total financial assets	4,280,414	3,395,222
Less contractual or donor imposed restricted amounts:		
Scholarships	274,432	373,212
Employee and program resource enhancements	638,570	250,593
	913,002	623,805
Financial assets available to meet general expenditures over the next twelve months	\$ 3,367,412	\$ 2,771,417

***Liquidity Management***

The Council maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of liquidity management, the Council invests any excess cash. The Council's primary sources of support are program revenue from various funding agencies, contributions and income from special events held, and the majority of that support is not subject to donor or other contractual restrictions that make them unavailable for general expenditures. The Council also has an existing \$450,000 line of credit of which \$417,417 is available for borrowing as of June 30, 2022.

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