September 29, 2020

Board of Directors
Collaboration for Early Childhood Care & Education
Oak Park, Illinois

Dear Laura:

Enclosed please find ten bound copies of the audited financial statements for the year ended June 30, 2020 and 2019. We have also emailed you a copy. If you have any questions or comments, please feel free to contact us.

Very truly yours,

Tighe, Kress & Orr, PC.
Certified Public Accountants

Collaboration for Early Childhood Care & Education

Audited Financial Statements

For the Years Ended June 30, 2020 and 2019

(With Independent Auditor's Report Thereon)

Table of Contents

Independent Auditor's Report

To the Board of Directors of
Collaboration for Early Childhood Care & Education
123 Madison Street
Room 209
Oak Park, Illinois 60302

We have audited the accompanying financial statements of Collaboration for Early Childhood Care & Education (the "Organization") (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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CHICAGO ELGIN ST. CHARLES

Emphasis of Matter

As noted in Note 1 to the financial statements, during the year ended June 30, 2020, the Organization adopted FASB's ASC Topic 606, Revenue from Contracts with Customers; Accounting Standards Update ("ASU") No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities; and ASU 2018-03, Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10). Our opinion is not modified with respect to this matter.

Tighe Kress & Orr, PC

Elgin, Illinois

September 21, 2020

Collaboration for Early Childhood Care & Education
Statements of Financial Position
June 30, 2020 and 2019

Assets

	2020	2019
Current Assets:		
Cash and cash equivalents	$ 807,663	$ 726,182
Grants and accounts receivable	18,035	29,255
Pledge receivable, net	-	9,378
Prepaid insurance	7,401	1,496
Total current assets	833,099	766,311
Property and equipment, net	4,636	13,280
Total Assets	$ 837,735	$ 779,591

Liabilities and Net Assets

	2020	2019
Current Liabilities:		
Accounts payable	$ 136,142	$ 90,569
Accrued payroll liabilities	35,429	28,874
Total current liabilities	171,571	119,443
Net Assets:		
Without donor restrictions	560,037	530,814
Board designated	64,000	64,000
Total net assets without donor restrictions	624,037	594,814
With donor restrictions	42,127	65,334
Total Net Assets	666,164	660,148
Total Liabilities and Net Assets	$ 837,735	$ 779,591

The accompanying notes are an integral part of the financial statements.

Collaboration for Early Childhood Care & Education
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions - individuals, businesses and foundations	$ 109,941	$ 22,750	$ 132,691	$ 97,384	$ 25,000	$ 122,384
Government contracts and grants	1,104,850	13,286	1,118,136	885,230	13,475	898,705
Program service revenue	23,328	-	23,328	18,326	-	18,326
Interest income	328	-	328	2,169	-	2,169
Net assets released from restrictions	59,243	(59,243)	-	32,946	(32,946)	-
Total Revenues and Support	1,297,690	(23,207)	1,274,483	1,036,055	5,529	1,041,584
Expenses:						
Program	948,931	-	948,931	835,946	-	835,946
Management and general	316,469	-	316,469	303,007	-	303,007
Fundraising	3,067	-	3,067	4,082	-	4,082
Total Expenses	1,268,467	-	1,268,467	1,143,035	-	1,143,035
Change in Net Assets	29,223	(23,207)	6,016	(106,980)	5,529	(101,451)
Net Assets, beginning of year	594,814	65,334	660,148	701,794	59,805	761,599
Net Assets, end of year	$ 624,037	$ 42,127	$ 666,164	$ 594,814	$ 65,334	$ 660,148

The accompanying notes are an integral part of the financial statements.

Collaboration for Early Childhood Care & Education
Statements of Functional Expenses
For the Years Ended June 30, 2020 and 2019

Expenses:	Family Engagement	Health and Development	Early Learning	Total Program	Management and General	Fundraising	2020 Total Expenses	2019 Total Expenses
Salaries	$ 47,091	$ 43,809	$ 178,001	$ 268,901	$ 168,173	$ -	$ 437,074	$ 338,063
Payroll taxes	3,563	3,307	13,497	20,367	12,517	-	32,884	25,239
Employee benefits	6,342	8,959	5,078	20,379	6,567	-	26,946	21,690
Depreciation	2,450	2,449	2,449	7,348	864	432	8,644	17,536
Dues and subscriptions	200	329	579	1,108	4,496	-	5,604	9,032
Equipment expense	3,019	2,878	5,780	11,677	9,923	-	21,600	6,223
Insurance	2,603	2,493	3,035	8,131	3,772	-	11,903	13,277
Miscellaneous	3,130	3,040	2,332	8,502	3,662	-	12,164	4,360
Outside contractors	427,006	39,298	51,028	517,332	88,902	180	606,414	630,057
Postage and delivery	-	140	88	228	332	663	1,223	1,465
Printing and production	2,953	3,152	3,098	9,203	999	1,630	11,832	8,685
Program food	4,348	355	6,517	11,220	974	-	12,194	15,653
Rent	3,807	3,975	7,826	15,608	3,730	-	19,338	4,375
Site rental	1,430	-	530	1,960	-	-	1,960	2,355
Staff volunteer development	656	838	1,623	3,117	3,847	-	6,964	19,245
Supplies	12,070	1,942	22,020	36,032	4,246	162	40,440	16,914
Telecommunications	1,922	2,348	3,338	7,608	1,777	-	9,385	7,901
Agency advertising	210	-	-	210	1,688	-	1,898	965
Total Expenses	$ 522,800	$ 119,312	$ 306,819	$ 948,931	$ 316,469	$ 3,067	$ 1,268,467	$ 1,143,035

The accompanying notes are an integral part of the financial statements.

Collaboration for Early Childhood Care & Education
Statement of Functional Expenses
For the Year Ended June 30, 2019

Expenses:	Family Engagement	Health and Development	Early Learning	Total Program	Management and General	Fundraising	Total Expenses
Salaries	$ 62,928	$ 61,347	$ 18,028	$ 142,303	$ 195,760	$ -	$ 338,063
Payroll taxes	4,741	4,689	1,219	10,649	14,590	-	25,239
Employee benefits	6,789	8,514	5,826	21,129	561	-	21,690
Depreciation	4,968	4,968	4,969	14,905	1,754	877	17,536
Dues and subscriptions	330	559	7,640	8,530	502	-	9,032
Equipment expense	304	796	695	1,795	4,428	-	6,223
Insurance	4,180	2,016	3,736	9,932	3,345	-	13,277
Miscellaneous	1,122	645	1,253	3,020	1,318	22	4,360
Outside contractors	379,047	58,089	131,073	568,209	61,748	100	630,057
Postage and delivery	68	115	297	480	129	856	1,465
Printing and production	2,114	860	3,445	6,419	1,307	959	8,685
Program food	4,349	702	7,398	12,449	2,622	582	15,653
Rent	820	971	1,832	3,623	752	-	4,375
Site rental	2,305	-	-	2,305	50	-	2,355
Staff volunteer development	2,964	2,162	4,499	9,625	9,600	20	19,245
Supplies	5,584	1,664	6,300	13,547	2,801	566	16,914
Telecommunications	1,257	2,142	3,012	6,411	1,490	-	7,901
Agency advertising	450	-	165	615	250	100	965
Total Expenses	$ 484,320	$ 150,239	$ 201,387	$ 835,946	$ 303,007	$ 4,082	$ 1,143,035

The accompanying notes are an integral part of the financial statements.

Collaboration for Early Childhood Care & Education
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	$ 6,016	$ (101,451)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,644	17,536
(Increase) decrease in operating assets:		
Investments	-	29,242
Receivables	11,220	565
Pledge receivable	9,378	-
Prepaid insurance	(5,905)	3,504
Increase (decrease) in operating liabilities:		
Accounts payable	45,573	(55,986)
Accrued payroll liabilities	6,555	4,816
Net cash provided by (used in) operating activities	81,481	(101,774)
Cash Flow from Investing Activities:		
Net cash provided by (used in) investing activities	-	-
Cash Flows from Financing Activities:		
Net cash provided by (used in) financing activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	81,481	(101,774)
Cash and Cash Equivalents, Beginning of Year	726,182	827,956
Cash and Cash Equivalents, End of Year	$ 807,663	$ 726,182

The accompanying notes are an integral part of the financial statements.

Note 1 – Summary of Significant Accounting Policies

Nature of Activities:
Collaboration for Early Childhood Care & Education (the "Organization") is a unique public/private partnership whose mission is to promote strategies to make high quality, affordable early care and education available to all children from birth to age five, in Oak Park and River Forest. Participants include representatives of local governing bodies, institutions of higher learning, preschools, childcare centers, home providers, agencies serving the needs of families with young children, early childhood policy experts, and community advocates. The Organization is supported through contracts with Oak Park's governing agencies. Foundation, individual, and corporate gifts also provide significant financial support.

Method of Accounting:
The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with United States Generally Accepted Accounting Principles applicable to nonprofit organizations. Revenues are recognized as they are earned and expenses as they are incurred.

Basis of Presentation:
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update ("ASU") 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions include undesignated and board-designated sources with no legal donor-imposed restrictions.

Net assets with donor restrictions represent net assets subject to donor-imposed or legal restrictions; which will either be met by the Organization's actions, the passage of time or are perpetual in nature. Net assets with donor restrictions assets are reclassified to net assets without donor restrictions when the restrictions are met or have expired. These reclassifications are reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Use of Estimates:
The preparation of financial statements in conformity with auditing standards generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risk Management:
Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts, if any, have not exceeded insurance coverage for the current year or the prior three years.

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition:
Revenue is measured based on a consideration specified in a contract with a customer, which is unique for each customer. The Organization's main revenue sources are contributions from individuals, businesses, and foundations, government contracts, and grants and typically does not include contracts with customers.

In the following table, revenue and timing of revenue recognition is shown, along with related assets and liabilities.

Major revenue sources		
Government contracts and grants	$	1,118,136
Contributions - individuals, businesses and foundations		132,691
Program service revenue		23,328
Interest income		328
	$	1,274,483

Timing of revenue recognition		
Services transferred at a point in time	$	1,274,483
Services transferred over time		-
	$	1,274,483

Related Assets and Liabilities		2020		2019
Grants and accounts receivable	$	18,035	$	29,255
Pledge receivable, net	$	-	$	9,378
Accounts payable	$	136,142	$	90,569

Cash and Cash Equivalents:
For the purposes of reporting cash flows, the Organization considers all short-term, highly-liquid money market accounts and short-term investments with a maturity of three months or less to be cash equivalents unless restricted by donor or the board of directors.

The Organization maintains its cash balances in local checking accounts or in trust balances. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2020 and 2019 the Organization had balances in excess of the FDIC insured limits. The Organization does not consider these balances to be exposed to any significant credit risk. The Organization has not experienced any losses on these assets. As of June 26, 2020, the Organization has insured cash sweep for additional protection of their cash accounts to ensure FDIC coverage.

Note 1 - Summary of Significant Accounting Policies (continued)

Investments:
Investments are recorded at fair value and consist of cash and securities. Contributions of marketable securities are recorded at fair market value at the date of the gift. The realized gains and losses on investments sold are computed using the specific recorded cost of each security.

The Organization's investments are exposed to various risks such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investment will occur in the near term and could materially affect the amounts reported in the statements of financial position

Grants, Accounts Receivable and Pledge Receivable:
Grants, accounts, and pledges receivable are stated at unpaid balances, less estimates made for doubtful accounts. Management determines the allowances for doubtful accounts by reviewing and identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management deemed no allowance necessary for the years ending June 30, 2020 and 2019.

Property and Equipment:
Property and equipment are stated at acquisition cost or, if donated, at the estimated fair value at the date of donation. The Organization's capitalization policy is to capitalize assets with a cost of $5,000 or more and a useful life of over one year. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred.

Contributed Services and Facilities:
A number of volunteers have donated their services to the programs of the Organization. No amounts have been recognized for these donated services in the statements of activity because the criteria for recognition under generally accepted accounting procedures in the United States of America have not been satisfied.

Functional Expenses:
The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited based on square footage, salaries and full-time equivalent employees. The allocations are reviewed by management on a quarterly basis.

Note 1 - Summary of Significant Accounting Policies (continued)

Liquidity Policy:
As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization receives financial assets with donor restrictions for specific spending. These assets are not available for general operations and are tracked and accounted for separately.

The Organization has $833,099 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash and cash equivalents of $807,663, grants and accounts receivable of $18,035, and prepaid insurance of $3,220. It is the goal of the Organization to have at least three months of budgeted expenses in cash reserves held in a federally insured bank account.

Income Taxes:
The Organization is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Adoption of New Accounting Standards:
In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2019, the first day of the Organization's fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Organization elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Organization used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Organization expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Organization has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

Note 1 - Summary of Significant Accounting Policies (continued)

The adoption of this ASU and election of the transition practical expedients did not have an impact on the Organization's financial statements. All revenue is recognized at a point in time based on the transfer of control of services or products. There is no revenue recognized over time. In addition, the Organization's contracts do not contain variable consideration and contract modifications are generally minimal. For these reasons, no changes were required to previously reported revenues as a result of the adoption.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, and subsequently issued related ASU 2018-03, Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10). These standards amend certain aspects of accounting and disclosure requirements for financial instruments, including the requirement that equity investments with readily determinable fair values are to be measured at fair value with any changes in fair value recognized in the Statement of Activities and Changes in Net Assets. The Organization adopted these standards on July 1, 2019, using the modified retrospective method, with no impact on the Organization's financial statement.

Pending Accounting Changes:
In February 2016, the FASB issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the Statements of Activities and Changes in Net Assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the Statement of Financial Position. The reporting of lease expenses in the Statements of Activities and Changes in Net Assets and Cash Flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending after June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The new guidance will be effective for the Organization's year ending after June 30, 2020 and will be applied using a full retrospective method to the beginning of the earliest period presented. The standard is expected to have no impact on the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

On August 28, 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820) Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. The ASU modifies the disclosure requirements on fair value measurements found within ASC Topic 820 Fair Value Measurements. The guidance will be effective for the Organization's year ending after June 30, 2020 and is expected to have no impact on the financial statements.

Note 2 - Property and Equipment

The components of property and equipment at June 30, 2020 and 2019 are as follows:

	2020	2019	Depreciable Life - Years
Furniture and fixtures	$ 871	$ 871	7
Office equipment	16,624	16,624	5 - 7
Database	125,117	125,117	3
	142,612	142,612	
Less accumulated depreciation	(137,976)	(129,332)	
Property and equipment, net	$ 4,636	$ 13,280	

Depreciation expense for the years ended June 30, 2020 and 2019 was $8,644 and $17,536, respectively.

Note 3 - Government Contracts and Grants Concentration

Government contracts and grants consisted of the following sources for the years ended June 30, 2020 and 2019.

	2020	2019
Village of Oak Park	$ 296,015	$ 236,812
Oak Park School District 97	427,575	342,060
Oak Park School District 200	372,760	298,208
Park District of Oak Park	7,000	6,650
Oak Park Library	1,500	1,500
State of Illinois Department of Public Health	13,286	13,475
	1,118,136	898,705
Less estimated amount to be refunded	-	-
Government contracts and grants, net	$ 1,118,136	$ 898,705

Note 3 - Government Contracts and Grants Concentration (continued)

Contracts with the Village of Oak Park and Oak Park School Districts, less amounts estimated to be repaid, amounted to approximately 86% and 84% of total revenues for the years ended June 30, 2020 and 2019, respectively. Any substantial loss of these contracts would affect the level of services provided by the organization.

Note 4 - Lease Commitments

The Organization leases its facility for $250 per month, under an auto-renewing lease. The Organization also leases a Lexmark copier for $189 per month, for the period of May 2018 to May 2021. There is a lease with CubeSmart, which is a month-to-month lease for $117 per month. The Organization also leases a second facility for $2,000 per month, for the period of December 1, 2019 to May 31, 2020, with annual increases thereafter, ending May 31, 2022. There is a lease with Comcast to provide internet for $138 monthly between December 20, 2019 and December 20, 2022. Lease expense was $19,338 and $4,375 for the years ended June 30, 2020 and 2019, respectively.

The future minimum lease payments are as follows:

2021	$ 28,332
2022	25,002
2023	830
Total	$ 54,164

Note 5 - Board Designated Net Assets Without Donor Restrictions

The Organization's Board of Directors has chosen to place the following limitations on net assets without donor restrictions:

	2020	2019
Healthcare Funds	$ 25,000	$ 25,000
Legal Funds	29,000	29,000
Home Visiting Funds	10,000	10,000
Total Board Designated	$ 64,000	$ 64,000

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following components as of June 30, 2020 and 2019:

	2020	2019
Purpose restricted	$ 42,127	$ 55,334
Time restricted	-	10,000
Total net assets with donor restrictions	$ 42,127	$ 65,334

Note 7 - Subsequent Events

The Organization evaluated its June 30, 2020 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of the COVID-19 virus, economic uncertainties have arisen which could possibly negatively impact revenue. Other financial impact could occur although such potential impact is unknown at this time. Programs continue during the pandemic, and in some cases program activity may increase. Management believes there is a plan in place to continue operations.

Note 8 - Date of Management's Review

Subsequent events have been evaluated through the date of this report, which is the date the financial statements were available to be issued. It was concluded that, other than as noted in Note 7, there are no subsequent events required to be disclosed.