

CUNY SCHOOL OF LABOR AND
URBAN STUDIES FOUNDATION, INC.

Financial Statements

June 30, 2021

(With Independent Auditors' Report Thereon)

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
CUNY School of Labor and Urban Studies Foundation, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of CUNY School of Labor and Urban Studies Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to 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 Foundation'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 Foundation'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 CUNY School of Labor and Urban Studies Foundation, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 20, 2021

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
Statement of Financial Position
June 30, 2021

<u>Assets</u>	
Current assets:	
Cash and equivalents	\$ 150,181
Investments in CUNY investment pool, short-term	<u>252,943</u>
Total current assets	403,124
Investments in CUNY investment pool, long-term	<u>367,761</u>
Total assets	<u><u>\$ 770,885</u></u>
 <u>Liabilities and Net Assets</u>	
Net assets:	
Without donor restrictions	550
With donor restrictions	<u>770,335</u>
Total net assets	<u><u>\$ 770,885</u></u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
Statement of Activities
Year ended June 30, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue, gains and other support:			
Contributions	\$ 550	887,113	887,663
Investment income	-	50,609	50,609
Net assets released from restrictions	<u>167,387</u>	<u>(167,387)</u>	<u>-</u>
Total revenue, gains and other support	167,937	770,335	938,272
Expenses:			
Program services - scholarships	<u>167,387</u>	<u>-</u>	<u>167,387</u>
Change in net assets	550	770,335	770,885
Net assets at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u><u>\$ 550</u></u>	<u><u>770,335</u></u>	<u><u>770,885</u></u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
Statement of Cash Flows
Year ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 770,885
Adjustments to reconcile change in net assets to net cash provided by operating activities - net gain on investments	<u>(43,570)</u>
Net cash provided by operating activities	<u>727,315</u>
Cash flows from investing activities:	
Proceeds from sale of investments	137,546
Purchases of investments	<u>(714,680)</u>
Net cash used in investing activities	<u>(577,134)</u>
Net change in cash and equivalents	150,181
Cash and equivalents at beginning of year	<u>-</u>
Cash and equivalents at end of year	<u><u>\$ 150,181</u></u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements

June 30, 2021

(1) Nature of Organization

CUNY School of Labor and Urban Studies Foundation, Inc. (the Foundation), a not-for-profit corporation incorporated in New York in 2019, and funded during fiscal 2021, supports and advances the education, research and public service mission of School of Labor and Urban Studies (the College), which is a college of The City University of New York (CUNY). The Foundation also provides financial support to the College by holding, administering and disposing of gifts and grants, without profit, for the benefit of the College.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Foundation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation.

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles 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.

(d) Cash and Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Concentrations

At times, the Foundation's cash and equivalents may exceed federally insured limits. The Foundation monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Fair Value of Financial Instruments

The Foundation has material financial instruments for which disclosure of estimated fair value is required by certain accounting standards and which consist of cash, investments, contributions receivable and accounts payable. The carrying values of these financial instruments as of June 30, 2021 are believed to approximate fair value based on their maturities and current market conditions.

(g) Investments

The Foundation's investments are held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee). Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. Realized and unrealized gains and losses are included in the statement of activities.

(h) Revenue Recognition

Contributions are recognized as support in the accompanying statement of activities upon the receipt of cash, investments or unconditional pledges. Contributions are considered available for unrestricted use unless specifically restricted by the donors. Restricted contributions in which the restriction is met in the same period as received are reported as contributions without donor restrictions.

(i) Functional Allocation of Expenses

The costs of providing the Foundation's various programs and services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated based on direct allocation of all costs to each different type of program.

(j) Subsequent Events

The Foundation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(k) Risk and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the virus on a national, regional and local level are unknown, but such consequences have the potential to result in a significant economic impact. The related impact of this situation on the Foundation, its future results and financial position is not currently determinable.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(1) Income Taxes

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

(3) Liquidity

The Foundation has \$150,181 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash. However, some of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2021 statement of financial position.

(4) Investments in CUNY Investment Pool and Related Investment Income

The Foundation's investments in the CUNY investment pool as of June 30, 2021 are comprised of the following:

Investments in CUNY investment pool, long term	\$ 367,761
Investments in CUNY investment pool, short-term	<u>252,943</u>
Investments in CUNY investment pool	\$ <u>620,704</u>

The following table summarizes the activity for financial instruments during the year ended June 30, 2021:

Balance at June 30, 2020	\$ -
Contributions	707,641
Withdrawals	(137,546)
Interest and dividends	7,039
Realized gain	5,596
Unrealized gain	<u>37,974</u>
Balance at June 30, 2021	\$ <u>620,704</u>

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(4) Investments in CUNY Investment Pool and Related Investment Income, Continued

A summary of investment income related to the CUNY investment pool for the year ended June 30, 2021 is as follows:

Interest and dividends	\$ 7,039
Realized gain	5,596
Unrealized gain	<u>37,974</u>
Total investment income	\$ <u>50,609</u>

(5) Net Assets With Donor Restrictions

At June 30, 2021, net assets with donor restrictions in the amount of \$770,335 are available for scholarships.