

CUNY SCHOOL OF LABOR AND
URBAN STUDIES FOUNDATION, INC.

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 9

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CUNY School of Labor and Urban Studies Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities 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 CUNY School of Labor and Urban Studies Foundation, Inc. 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 Foundation 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 Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 audits.
- 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 audits 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, 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 Foundation'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 audits.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 14, 2022

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
 Statements of Financial Position
 June 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and equivalents	\$ 613,548	150,181
Investments in CUNY investment pool, short-term	<u>298,024</u>	<u>252,943</u>
Total current assets	911,572	403,124
Investments in CUNY investment pool, long-term	<u>350,230</u>	<u>367,761</u>
Total assets	<u>\$ 1,261,802</u>	<u>770,885</u>
 <u>Liabilities and Net Assets</u> 		
Liabilities - accounts payable	<u>12,000</u>	<u>-</u>
Net assets:		
Without donor restrictions	(519)	550
With donor restrictions	<u>1,250,321</u>	<u>770,335</u>
Total net assets	<u>1,249,802</u>	<u>770,885</u>
Total liabilities and net assets	<u>\$ 1,261,802</u>	<u>770,885</u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
 Statements of Financial Position
 Years ended June 30, 2022 and 2021

	2022			2021		
	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>
Revenue, gains and other support:						
Contributions	\$ -	753,697	753,697	550	887,113	887,663
Investment income (loss)	-	(25,320)	(25,320)	-	50,609	50,609
Net assets released from restrictions	<u>248,391</u>	<u>(248,391)</u>	<u>-</u>	<u>167,387</u>	<u>(167,387)</u>	<u>-</u>
Total revenue, gains and other support	<u>248,391</u>	<u>479,986</u>	<u>728,377</u>	<u>167,937</u>	<u>770,335</u>	<u>938,272</u>
Expenses:						
Program services - scholarships	248,391	-	248,391	167,387	-	167,387
Management and general - other	<u>1,069</u>	<u>-</u>	<u>1,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>249,460</u>	<u>-</u>	<u>249,460</u>	<u>167,387</u>	<u>-</u>	<u>167,387</u>
Change in net assets	(1,069)	479,986	478,917	550	770,335	770,885
Net assets at beginning of year	<u>550</u>	<u>770,335</u>	<u>770,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u><u>\$ (519)</u></u>	<u><u>1,250,321</u></u>	<u><u>1,249,802</u></u>	<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.
 Statements of Financial Position
 Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 478,917	770,885
Adjustments to reconcile change in net assets to net cash provided by operating activities - net (gain) loss on investments	31,896	(43,570)
Change in accounts payable	<u>12,000</u>	<u>-</u>
Net cash provided by operating activities	<u>522,813</u>	<u>727,315</u>
Cash flows from investing activities:		
Proceeds from sale of investments	177,130	137,546
Purchases of investments	<u>(236,576)</u>	<u>(714,680)</u>
Net cash used in investing activities	<u>(59,446)</u>	<u>(577,134)</u>
Net change in cash and equivalents	463,367	150,181
Cash and equivalents at beginning of year	<u>150,181</u>	<u>-</u>
Cash and equivalents at end of year	<u>\$ 613,548</u>	<u>150,181</u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements

June 30, 2022 and 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 statements 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, 2022 and 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 statements of activities.

(h) Revenue Recognition

Contributions are recognized as support in the accompanying statements 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 statements 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 on a national, regional and local level are unknown, but 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 \$613,548 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 2022 statement of financial position.

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

The Foundation's investments in the CUNY investment pool at June 30, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Investments in CUNY investment pool, short-term	\$ 298,024	252,943
Investments in CUNY investment pool, long term	<u>350,230</u>	<u>367,761</u>
	\$ <u>648,254</u>	<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

The following table summarizes the activity for financial instruments during the years ended June 30, 2022 and 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	620,704
Contributions	230,000
Withdrawals	(177,130)
Interest and dividends	6,576
Realized gain	9,825
Unrealized loss	<u>(41,721)</u>
Balance at June 30, 2022	\$ <u>648,254</u>

A summary of investment income (loss) related to the CUNY investment pool for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 6,576	7,039
Realized gain	9,825	5,596
Unrealized gain (loss)	<u>(41,721)</u>	<u>37,974</u>
Total investment income (loss)	\$ <u>(25,320)</u>	<u>50,609</u>

(5) Net Assets With Donor Restrictions

At June 30, 2022 and 2021, net assets with donor restrictions in the amount of \$1,250,321 and \$770,335, respectively, were available for scholarships.