

CUNY SCHOOL OF LABOR AND
URBAN STUDIES FOUNDATION, INC.
Financial Statements
June 30, 2024 and 2023
(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 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, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and related notes to 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, 2024 and 2023, 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 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 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 16, 2024

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
 Statements of Financial Position
 June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets:		
Cash and equivalents	\$ 398,221	388,165
Investments:		
CUNY investment pool, short-term	100,583	175,334
Certificates of deposit	<u>405,921</u>	<u>337,195</u>
Total investments	<u>506,504</u>	<u>512,529</u>
Total current assets	904,725	900,694
Investments in CUNY investment pool, long-term	<u>397,281</u>	<u>370,552</u>
Total assets	<u>\$ 1,302,006</u>	<u>1,271,246</u>
<u>Net Assets</u>		
Net assets:		
Without donor restrictions	10,868	33,605
With donor restrictions	<u>1,291,138</u>	<u>1,237,641</u>
Total net assets	<u>\$ 1,302,006</u>	<u>1,271,246</u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Statements of Activities

Years ended June 30, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue, gains and other support:						
Contributions	\$ 743	374,930	375,673	49,677	196,520	246,197
Investment income	-	54,962	54,962	-	24,884	24,884
Contributed nonfinancial assets	86,920	-	86,920	84,193	-	84,193
Net assets released from restrictions	<u>376,395</u>	<u>(376,395)</u>	<u>-</u>	<u>201,652</u>	<u>(201,652)</u>	<u>-</u>
Total revenue, gains and other support	<u>464,058</u>	<u>53,497</u>	<u>517,555</u>	<u>335,522</u>	<u>19,752</u>	<u>355,274</u>
Expenses:						
Program services:						
Scholarships	187,374	-	187,374	196,842	-	196,842
Program expenses	<u>208,107</u>	<u>-</u>	<u>208,107</u>	<u>39,485</u>	<u>-</u>	<u>39,485</u>
Total program services	395,481	-	395,481	236,327	-	236,327
Management and general - other	<u>91,314</u>	<u>-</u>	<u>91,314</u>	<u>97,503</u>	<u>-</u>	<u>97,503</u>
Total expenses	<u>486,795</u>	<u>-</u>	<u>486,795</u>	<u>333,830</u>	<u>-</u>	<u>333,830</u>
Change in net assets	(22,737)	53,497	30,760	1,692	19,752	21,444
Net assets (deficit) at beginning of year	33,605	1,237,641	1,271,246	(519)	1,250,321	1,249,802
Transfer of net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,432</u>	<u>(32,432)</u>	<u>-</u>
Net assets at end of year	<u>\$ 10,868</u>	<u>1,291,138</u>	<u>1,302,006</u>	<u>33,605</u>	<u>1,237,641</u>	<u>1,271,246</u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.
 Statements of Cash Flows
 Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 30,760	21,444
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities - net gain on investments	(22,490)	(14,474)
Change in accounts payable	<u>-</u>	<u>(12,000)</u>
Net cash provided by (used in) operating activities	<u>8,270</u>	<u>(5,030)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	121,785	127,252
Purchases of investments	<u>(119,999)</u>	<u>(347,605)</u>
Net cash provided by investing activities	<u>1,786</u>	<u>(220,353)</u>
Net change in cash and equivalents	10,056	(225,383)
Cash and equivalents at beginning of year	<u>388,165</u>	<u>613,548</u>
Cash and equivalents at end of year	<u><u>\$ 398,221</u></u>	<u><u>388,165</u></u>

See accompanying notes to financial statements.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements

June 30, 2024 and 2023

(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 2022, 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 six months or less to be cash equivalents.

(e) Concentrations of Credit Risk

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. At June 30, 2024 and 2023, the Foundation had \$554,142 and \$475,362 in excess of the federally insured limits.

(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, 2024 and 2023 are believed to approximate fair value based on their maturities and current market conditions.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Investments

The Foundation's investments are primarily 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) 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.

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(l) Recent Accounting Standards Issued

At the beginning of 2023, the Foundation adopted Accounting Standards Codification 326, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Statements, as amended, which modifies the measurement of expected credit losses on certain financial instruments, including accounts receivable, and requires the Foundation to measure all expected credit losses for financial instruments based on historical experience, current conditions, and reasonable and supportable forecasts for collectability. The Foundation adopted this new standard utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation's financial statements.

(m) Reclassifications

Reclassifications have been made to certain 2023 account balances in order to conform to 2024 presentation.

(3) Liquidity

The Foundation has \$398,221 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash and equivalents. 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 2024 statement of financial position.

(4) Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investments held by the Foundation in the CUNY investment pool are classified as level 2 in the fair value hierarchy. The Foundation also holds certificates of deposits totaling \$405,921 and \$337,195 at June 30, 2024 and 2023, respectively. The certificates of deposit are valued at amortized cost, which approximates fair value, and are considered Level 2 investments.

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

The Foundation's investments in the CUNY investment pool at June 30, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Investments in CUNY investment pool, short-term	\$ 100,583	175,334
Investments in CUNY investment pool, long term	<u>397,281</u>	<u>370,552</u>
	\$ <u>497,864</u>	<u>545,886</u>

CUNY SCHOOL OF LABOR AND URBAN STUDIES FOUNDATION, INC.

Notes to Financial Statements, Continued

(5) 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, 2024 and 2023:

Balance at June 30, 2022	\$ 648,254
Withdrawals	(127,252)
Interest and dividends	10,410
Realized gain	5,177
Unrealized gain	<u>9,297</u>
Balance at June 30, 2023	\$ 545,886
Contributions	40,000
Withdrawals	(121,785)
Interest and dividends	11,273
Realized gain	4,130
Unrealized gain	<u>18,360</u>
Balance at June 30, 2024	\$ <u>497,864</u>

A summary of investment income related to the CUNY investment pool for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 11,273	10,410
Realized gain	4,130	5,177
Unrealized gain	<u>18,360</u>	<u>9,297</u>
Total investment income	\$ <u>33,763</u>	<u>24,884</u>

(6) Net Assets With Donor Restrictions

At June 30, 2024 and 2023, net assets with donor restrictions in the amount of \$1,290,756 and \$1,237,641, respectively, were available for scholarships. During the year ended June 30, 2023, management reviewed prior year contributions and transferred \$32,432 from net assets with donor restrictions to net assets without donor restrictions.

(7) Contributed Nonfinancial Assets

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included salaries totaling \$86,920 and \$84,193, respectively. Contributed services recognized are comprised of professional services related to the operations of the Foundation. Amounts represent an estimated percentage of time worked on Foundation related activity.