

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.**

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 7
Financial Statements:	
Statements of Net Position	8
Statements of Revenue, Expenses and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11 - 17

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Eugenio Maria De Hostos Community
College Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Eugenio Maria De Hostos Community College Association, Inc. (the Association) as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

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 audits. We conducted our audits 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 Association'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 Association'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 net position of Eugenio Maria De Hostos Community College Association, Inc. as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York

October 27, 2020

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2020

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of Eugenio Maria De Hostos Community College Association, Inc.'s (the Association) financial position as of June 30, 2020, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position increased by \$28,307 or 8%.
- Operating revenue decreased by \$89,644 or 9%.
- Operating expenses decreased by \$208,417 or 21%.

Financial Position

The Association's net position (the difference between assets and liabilities) is one way to measure the Association's financial health. Over time, increases and decreases in the Association's net position is just one indicator of whether its financial health is improving.

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2020 and 2019, under the accrual basis of accounting:

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 508,064	580,315	(72,251)	(12%)
Noncurrent assets - investments	<u>126,260</u>	<u>121,131</u>	<u>5,129</u>	4%
Total assets	<u>634,324</u>	<u>701,446</u>	<u>(67,122)</u>	(10%)
Liabilities				
	<u>243,608</u>	<u>339,037</u>	<u>(95,429)</u>	(28%)
Unrestricted net position	<u>\$ 390,716</u>	<u>362,409</u>	<u>28,307</u>	8%

**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued**

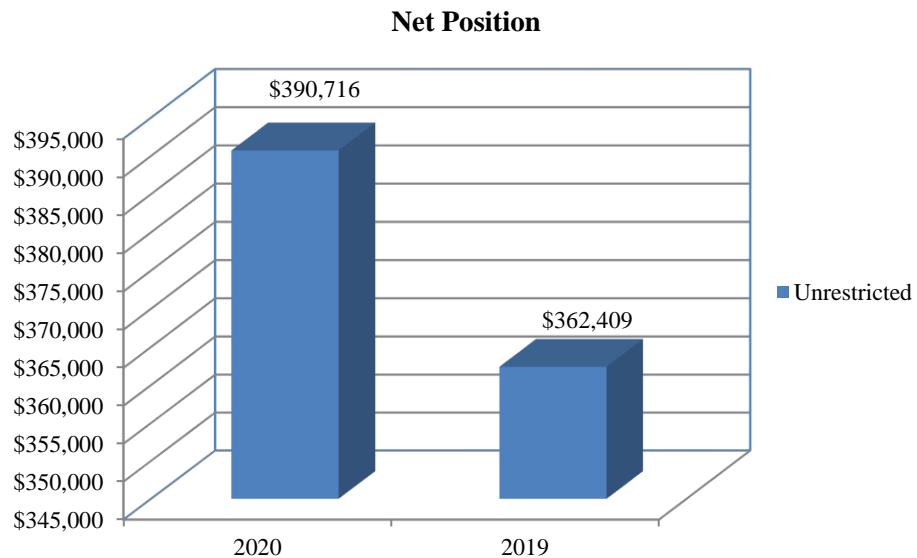
At June 30, 2020, the Association's total net position increased by \$28,307 or 8%, compared to the previous year. The increase was mainly due to the results of operations as reflected in the statements of revenue, expenses and changes in net position below.

At June 30, 2020, the Association's total assets decreased by \$67,122 or 10%, compared to the previous year. The variance was primarily related to a decrease in accounts receivable of \$94,541 or 94% and a decrease in due from related entities of \$4,112 or 3%, offset by an increase cash and equivalents of \$25,707 or 8%, an increase in investments of \$5,399 or 4% and an increase in prepaid expenses of \$425 or 5%.

At June 30, 2020, the Association's total liabilities decreased by \$95,429 or 28%, compared to the previous year. The majority of this variance was related to a decrease in accounts payable and accrued expenses of \$44,582 or 59% and a decrease in unearned revenue of \$119,297 or 87%, offset by an increase in due to related entities of \$68,450 or 53%.

There were no other significant or unexpected changes in the Association's assets and liabilities.

The following illustrates the Association's net position at June 30, 2020 and 2019 by category:



**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued**

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2020 and 2019 are as follows:

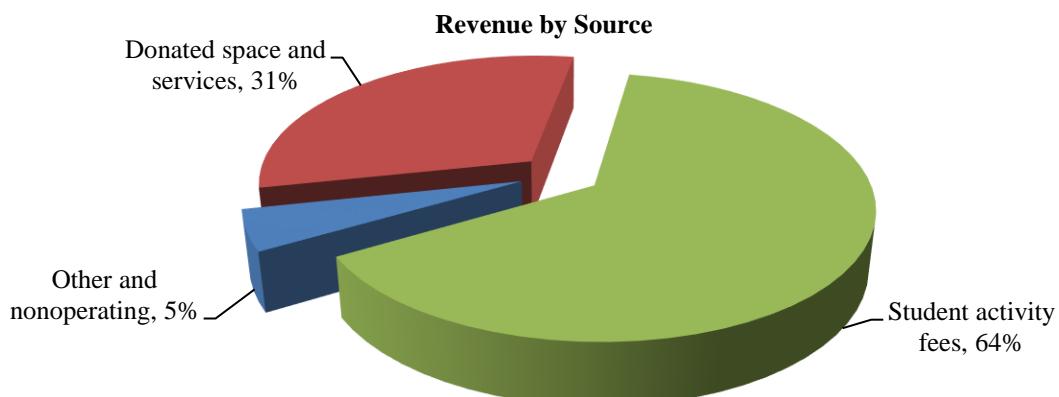
Revenue

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 575,650	685,039	(109,389)	(16%)
Donated space and services	275,740	291,707	(15,967)	(5%)
Other	<u>39,046</u>	<u>3,334</u>	<u>35,712</u>	1,071%
Total operating revenue	890,436	980,080	(89,644)	(9%)
Nonoperating revenue - net appreciation of investments and other	<u>5,399</u>	<u>6,793</u>	<u>(1,394)</u>	(21%)
Total revenue	<u>\$ 895,835</u>	<u>986,873</u>	<u>(91,038)</u>	(9%)

The Association's total revenue for the year ended June 30, 2020 amounted to \$895,835, a decrease of \$91,038 or 9%, compared to the previous year. The components of this variance are primarily related to a decrease in student activity fees of \$109,389 or 16%. The decrease was mainly due to a 25% waiver or discount on student activity fees approved by the City University of New York Board of Trustees. This action was a result of the COVID-19 pandemic affecting the entire University.

There were no other significant or unexpected changes in the Association's revenue.

The following illustrates the Association's revenue, by source, for the year ended June 30, 2020:



**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued**

Expenses

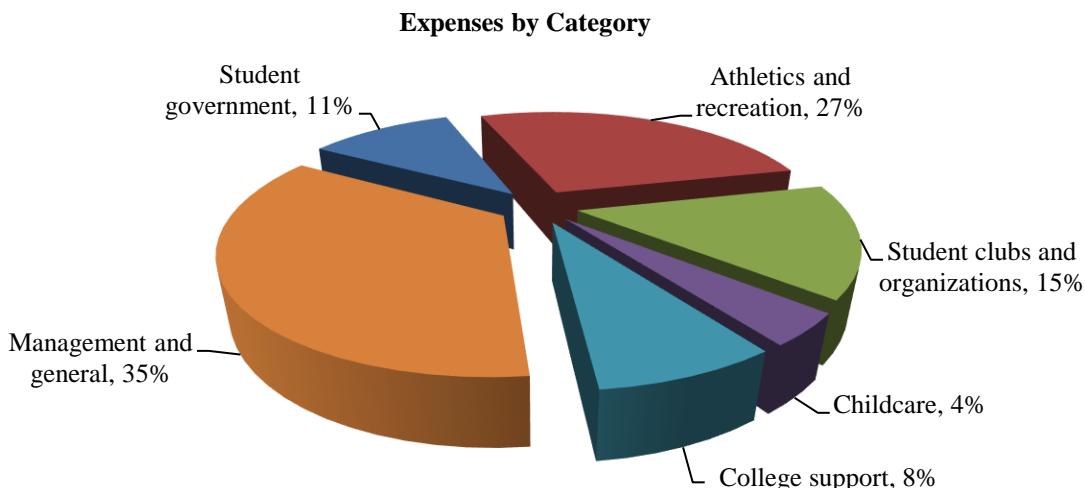
	<u>2020</u>	<u>2019</u>	Dollar <u>change</u>	Percent <u>change</u>
Operating expenses:				
Student government	\$ 96,608	127,063	(30,455)	(24%)
Athletics and recreation	237,899	210,250	27,649	13%
Student clubs and organizations	126,532	207,951	(81,419)	(39%)
Childcare	34,886	40,562	(5,676)	(14%)
Management and general	<u>302,464</u>	<u>420,980</u>	<u>(118,516)</u>	(28%)
Total operating expenses	798,389	1,006,806	(208,417)	(21%)
Nonoperating expenses:				
College support	69,062	113,781	(44,719)	(39%)
Other	<u>77</u>	<u>157</u>	<u>(80)</u>	(51%)
Total expenses	<u>\$ 867,528</u>	<u>1,120,744</u>	<u>(253,216)</u>	(23%)

Total expenses for the year ended June 30, 2020 were \$867,528, a decrease of \$253,216 or 23%, compared to the previous year. The Association's expenses are activity driven. An overall increase in programs and events will result in an increase in expenditures and vice versa. This explains the Association's overall decrease in expenses.

As explained above, the COVID-19 pandemic impacted the Spring 2020 semester's events and programs conducted by the Association. The decrease in expenses is mainly due to less programs and activities associated with student clubs and organizations of \$81,419 or 39% and a decrease in management and general of \$118,516 or 28%.

There were no other significant or unexpected changes in the Association's expenses.

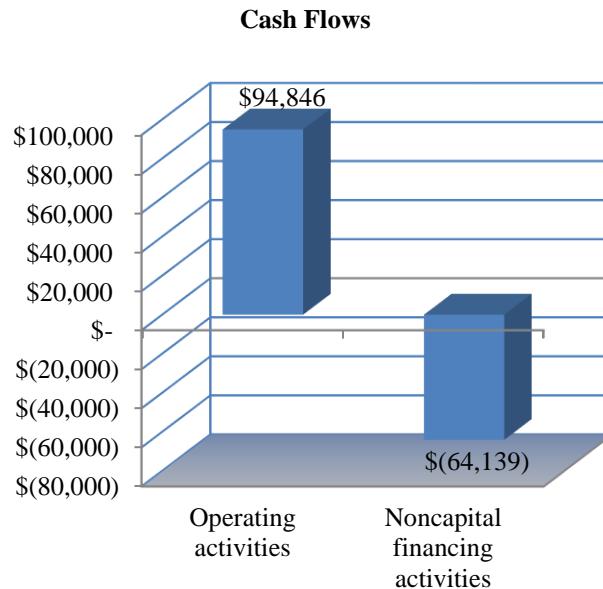
The following illustrates the Association's expenses, by category, for the year ended June 30, 2020:



**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued**

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Association's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2020:



Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred, and COVID-19 whose effect is not presently determinable.

**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.**
Statements of Net Position
June 30, 2020 and 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and equivalents	\$ 355,304	329,597	
Investments in CUNY investment pool, short-term	6,645	6,375	
Accounts receivable	6,400	100,941	
Due from related entities	130,664	134,776	
Prepaid expenses	<u>9,051</u>	<u>8,626</u>	
Total current assets	508,064	580,315	
Noncurrent assets - investments in CUNY investment pool, long-term	<u>126,260</u>	<u>121,131</u>	
Total assets	<u>634,324</u>	<u>701,446</u>	

	<u>Liabilities</u>		
Current liabilities:			
Accounts payable and accrued expenses	29,900	74,482	
Due to related entities	196,489	128,039	
Unearned revenue	<u>17,219</u>	<u>136,516</u>	
Total liabilities	<u>243,608</u>	<u>339,037</u>	

	<u>Net Position</u>		
Unrestricted:			
Undesignated	386,692	324,758	
Board designated	<u>4,024</u>	<u>37,651</u>	
Total unrestricted	<u>\$ 390,716</u>	<u>362,409</u>	

See accompanying notes to financial statements.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Student activity fees	\$ 575,650	685,039
Donated space and services	275,740	291,707
Other	<u>39,046</u>	<u>3,334</u>
Total operating revenue	<u>890,436</u>	<u>980,080</u>
Operating expenses:		
Student government	96,608	127,063
Athletics and recreation	237,899	210,250
Student clubs and organizations	126,532	207,951
Childcare	34,886	40,562
Management and general	<u>302,464</u>	<u>420,980</u>
Total operating expenses	<u>798,389</u>	<u>1,006,806</u>
Income (loss) from operations	<u>92,047</u>	<u>(26,726)</u>
Nonoperating revenue (expenses):		
Investment income	5,399	6,793
Other	(77)	(157)
College support	<u>(69,062)</u>	<u>(113,781)</u>
Total nonoperating expenses, net	<u>(63,740)</u>	<u>(107,145)</u>
Change in net position	28,307	(133,871)
Net position at beginning of year	<u>362,409</u>	<u>496,280</u>
Net position at end of year	<u>\$ 390,716</u>	<u>362,409</u>

See accompanying notes to financial statements.

**EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.**
Statements of Cash Flows
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 555,269	676,339
Other	38,021	3,334
Cash payments to/for:		
Payroll	(57,516)	(89,860)
Student activities	(157,133)	(217,881)
Vendors	<u>(283,795)</u>	<u>(238,613)</u>
Net cash provided by operating activities	<u>94,846</u>	<u>133,319</u>
Cash flows from noncapital financing activities:		
Other	(77)	(157)
College support	<u>(69,062)</u>	<u>(113,781)</u>
Net cash used in noncapital financing activities	<u>(69,139)</u>	<u>(113,938)</u>
Cash flows from investing activities:		
Interest and dividends	1,736	1,820
Purchases of investments	<u>(1,736)</u>	<u>(1,820)</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net change in cash and equivalents	25,707	19,381
Cash and equivalents at beginning of year	<u>329,597</u>	<u>310,216</u>
Cash and equivalents at end of year	<u>\$ 355,304</u>	<u>329,597</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	92,047	(26,726)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Bad debt expense	13,601	89,544
Changes in:		
Accounts receivable	80,940	(36,198)
Due from related entities	4,112	(25,681)
Prepaid expenses	(425)	(6,644)
Accounts payable and accrued expenses	(44,582)	13,786
Due to related entities	68,450	97,740
Unearned revenue	<u>(119,297)</u>	<u>27,498</u>
Net cash provided by operating activities	<u>\$ 94,846</u>	<u>133,319</u>

See accompanying notes to financial statements.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Nature of Organization

The Eugenio Maria De Hostos Community College Association, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Eugenio Maria De Hostos Community College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Directors of the University and collected by the College on the Association's behalf. The Association was incorporated in 1976.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Association's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Association or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Association's Board of Directors.

At June 30, 2020 and 2019, the Association only had unrestricted net position.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Investments

The Association's investments are held by CUNY in an investment pool which is under the control of the Committee of 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 revenue, expenses and changes in net position.

(f) Revenue Recognition

Student activity fees are recognized in the period earned. Student activity fees and other funds collected prior to year-end, if any, relating, to the summer and fall semesters of the subsequent year, are recorded as unearned revenue. At June 30, 2020 and 2019 the Association had \$14,916 and \$134,213, respectively, in student activity fees relating to the subsequent year.

(g) Donated Space and Services

The Association operates on the campus of the College and utilizes facilities and equipment as well as professional services of certain College employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such services (note 5).

(h) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures 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.

(j) Subsequent Events

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

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

(k) Income Taxes

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

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2020, \$137,499 of the Association's bank balance of \$406,903 was exposed to custodial credit risk as it was uninsured and uncollateralized.

The Association does not have a deposit policy.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

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

The Association's investments in the CUNY investment pool comprise assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2020 and 2019 are comprised of the following:

	<u>2020</u>	<u>2019</u>
Investments in CUNY investment pool, short-term	\$ 6,645	6,375
Investments in CUNY investment pool, long-term	<u>126,260</u>	<u>121,131</u>
Total investments in CUNY investment pool	<u>\$ 132,905</u>	<u>127,506</u>

The following table summarizes the activity of investments during the years ended June 30, 2020 and 2019:

Balance at July 1, 2018	\$ 120,713
Dividends and interest income	1,820
Realized and unrealized gains	<u>4,973</u>
Balance at June 30, 2019	127,506
Dividends and interest income	1,736
Realized and unrealized gains, net	<u>3,663</u>
Balance at June 30, 2020	<u>\$ 132,905</u>

A summary for investment income from the CUNY investment pool for the years ended June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,736	1,820
Realized gains	2,702	19,304
Unrealized gains (losses)	<u>961</u>	<u>(14,331)</u>
Total	<u>\$ 5,399</u>	<u>6,793</u>

(5) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College. The estimated fair values of facilities and professional services are included in the accompanying statements of revenue, expenses and changes in net position. Facilities and professional services for the years ended June 30, 2020 and 2019 amounted to the following:

	<u>2020</u>	<u>2019</u>
Facilities	\$ 238,560	255,600
Professional services	<u>37,180</u>	<u>36,107</u>
	<u>\$ 275,740</u>	<u>291,707</u>

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(6) Related Party Transactions

At June 30, 2020 and 2019, the Association owed \$196,489 and \$128,039 respectively, to other College entities. The Association is occasionally required to transfer funds to/from other Hostos College related entities during the course of the year for payroll reimbursement and other costs, if any. In addition, at June 30, 2020 and 2019, the Association was owed \$130,664 and \$134,776, respectively, from other College entities.

(7) Accounting Standards Issued But Not Yet Implemented

GASB issued Statement No. 95 - “Postponement of the Effective Dates of Certain Authoritative Guidance” in May 2020. This Statement has the primary objective of providing temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued. Disclosures below have been updated accordingly.

- GASB Statement No. 84 - “Fiduciary Activities.” This Statement, issued in January 2017, addresses criteria for identifying fiduciary activities of state and local governments and focuses on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom the fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 87 - “Leases.” This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(7) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 89 - “Accounting for Interest Cost Incurred Before the End of a Construction Period.” This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements” which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 91 - “Conduit Debt Obligations.” This Statement, issued in May 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 92 - “Omnibus 2020.” This Statement, issued in January 2020, clarifies implementation of GASB Statements No. 73, 74, 84 and 87, generally effective for fiscal years beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 93 - “Replacement of Interbank Offered Rates.” This Statement, issued in March 2020, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021. The requirements of this Statement are effective for reporting periods beginning after December 31, 2022, which is the fiscal year beginning July 1, 2023 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 94 - “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” This Statement, issued in March 2020, addresses issues related to public-private and public-public partnerships (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

EUGENIO MARIA DE HOSTOS
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Notes to Financial Statements, Continued

(7) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 96 - “Subscription-Based Information Technology Arrangements.” This Statement, issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning July 1, 2022 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 97 - “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” This Statement, issued in June 2020, sets requirements for a primary government’s determination of component units which do not have governing boards; amends the financial burden criterion in paragraph 7 of Statement No. 84; sets required classifications for Section 457 plans and applies Statement No. 84, as amended, to IRC Section 457 arrangements; and supersedes remaining provisions of Statement No. 32, as amended, regarding investment valuation requirements for Section 457 plans. The requirements of this Statement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021, which is the fiscal year beginning July 1, 2021 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.