

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Financial Statements and
Supplementary Information
June 30, 2023 and 2022
(With Independent Auditors' Report Thereon)

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the net position of Eugenio Maria De Hostos Community College Association, Inc. as of June 30, 2023 and 2022 and the changes in its net position 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 Association 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 these 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 Association'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 Association'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 Association'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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 17, 2023

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2023 and 2022

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, 2023 and 2022, and changes in its net position for the years 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 \$61,058 or 7%.
- Operating revenue increased by \$10,364 or 1%.
- Operating expenses increased by \$81,219 or 13%.

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 at June 30, 2023 and 2022, under the accrual basis of accounting:

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,087,439	1,029,241	58,198	6%
Noncurrent assets - investments	<u>148,968</u>	<u>141,519</u>	<u>7,449</u>	5%
Total assets	<u>1,236,407</u>	<u>1,170,760</u>	<u>65,647</u>	6%
Liabilities	<u>340,769</u>	<u>336,180</u>	<u>4,589</u>	1%
Unrestricted net position	\$ <u>895,638</u>	<u>834,580</u>	<u>61,058</u>	7%

At June 30, 2023, the Association's total net position increased by \$61,058 or 7%, 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.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis, Continued

At June 30, 2023, the Association's total assets increased by \$65,647 or 6%, compared to the previous year. The variance was primarily related to increases in cash and equivalents, due from related parties, and investments in CUNY investment pool of \$122,625 or 15%, \$1,458 or 1%, and \$7,841 or 5%, respectively, offset by decreases in accounts receivable and prepaid expenses of \$56,866 or 100% and \$9,411 or 100%, respectively.

At June 30, 2023, the Association's total liabilities increased by \$4,589 or 1%, compared to the previous year. The majority of this variance was related to an increase in due to related entities of \$46,550 or 16%, offset by decreases in accounts payable and accrued liabilities and unearned revenue of \$18,882 or 63% and \$23,079 or 100%, respectively.

The following summarizes the Association's assets, liabilities and net position at June 30, 2022 and 2021, under the accrual basis of accounting:

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,029,241	1,093,879	(64,638)	(6%)
Noncurrent assets - investments	<u>141,519</u>	<u>148,603</u>	<u>(7,084)</u>	(5%)
Total assets	<u>1,170,760</u>	<u>1,242,482</u>	<u>(71,722)</u>	(6%)
Liabilities	<u>336,180</u>	<u>520,589</u>	<u>(184,409)</u>	(35%)
Unrestricted net position	\$ <u>834,580</u>	<u>721,893</u>	<u>112,687</u>	16%

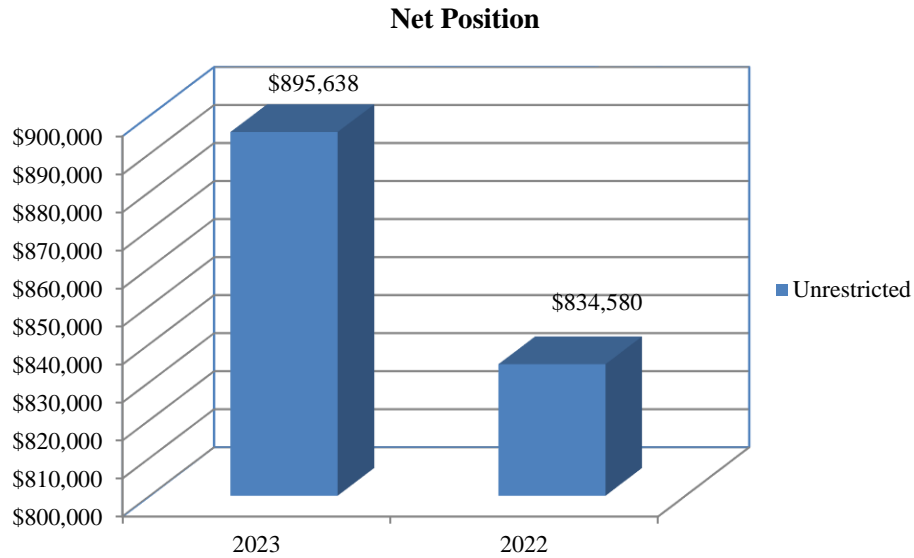
At June 30, 2022, the Association's total net position increased by \$112,687 or 16%, compared to the previous year. The increase was mainly due to the results of operations as reflected in the statements of revenue, expenses and changes in net position below.

At June 30, 2022, the Association's total assets decreased by \$71,722 or 6%, compared to the previous year. The variance was primarily related to decreases in cash and due from related entities of \$95,795 or 11% and \$21,744 or 13%, respectively, offset by an increase in accounts receivable of \$52,496 or 1,201%.

At June 30, 2022, the Association's total liabilities decreased by \$184,409 or 35%, compared to the previous year. The majority of this variance was related to a decrease in due to related entities of \$164,403 or 37% and a decrease in accounts payable and accrued expenses of \$24,977 or 46%.

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

The following illustrates the Association's net position at June 30, 2023 and 2022 by category:



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 for the years ended June 30, 2023 and 2022 are as follows:

The major components of revenue for the years ended June 30, 2023 and 2022 are as follows:

Revenue

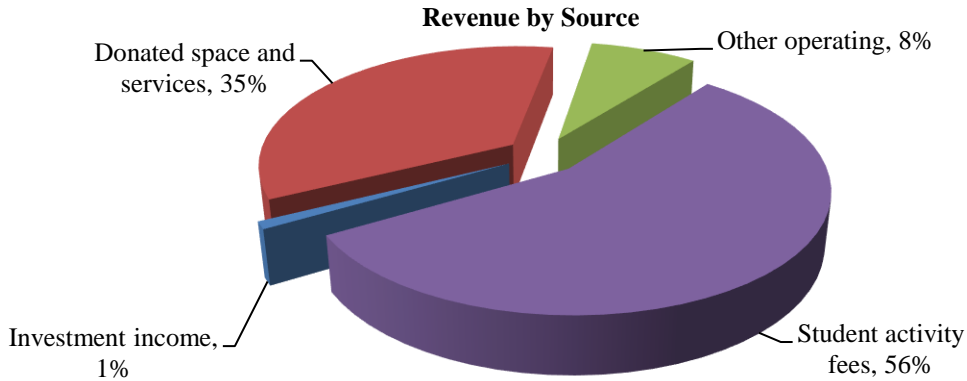
	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 428,726	464,825	(36,099)	(8%)
Donated space and services	272,291	279,695	(7,404)	(3%)
Other	<u>60,302</u>	<u>6,435</u>	<u>53,867</u>	(837%)
Total operating revenue	<u>761,319</u>	<u>750,955</u>	<u>10,364</u>	1%
Nonoperating revenue - investment income (loss)	<u>8,841</u>	<u>(7,457)</u>	<u>16,298</u>	219%
Total revenue	\$ <u>770,160</u>	<u>743,498</u>	<u>26,662</u>	4%

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

The Association's total revenue for the year ended June 30, 2023 amounted to \$770,160, an increase of \$26,662 or 4%, compared to the previous year. The change was primarily due to increases in investment income and other operating revenue of \$16,298 or 219% and \$53,867 or 837%, respectively, offset by decreases in student activity fees and donated space and services of \$36,099 or 8% and \$7,404 or 3%, respectively.

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, 2023:



The major components of revenue for the years ended June 30, 2022 and 2021 are as follows:

Revenue

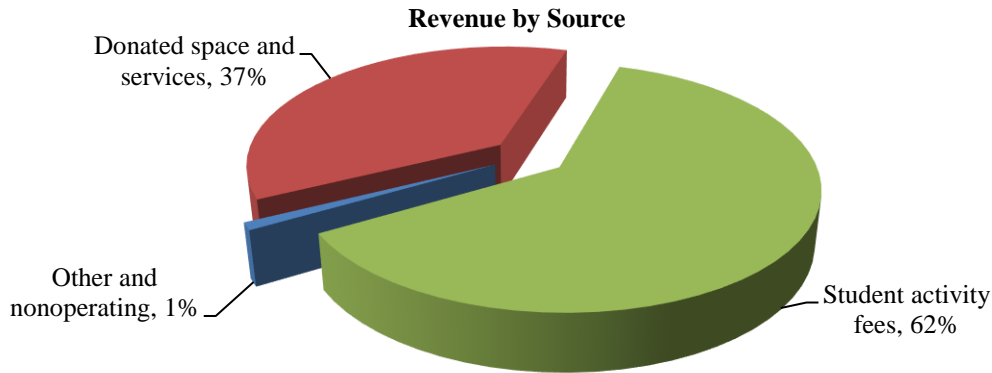
	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 464,825	508,914	(44,089)	(9%)
Donated space and services	279,695	275,314	4,381	2%
Other	<u>6,435</u>	<u>29,872</u>	<u>(23,437)</u>	(78%)
Total operating revenue	<u>750,955</u>	<u>814,100</u>	<u>(63,145)</u>	(8%)
Nonoperating revenue:				
Investment income (loss)	(7,457)	23,519	(30,976)	(132%)
CUNY support	<u>-</u>	<u>72,232</u>	<u>(72,232)</u>	(100%)
Total nonoperating revenue	<u>(7,457)</u>	<u>95,751</u>	<u>(103,208)</u>	(108%)
Total revenue	\$ <u>743,498</u>	<u>909,851</u>	<u>(166,353)</u>	(18%)

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

The Association's total revenue for the year ended June 30, 2022 amounted to \$743,498, a decrease of \$166,353 or 18%, compared to the previous year. The change was primarily due to decreases in student activity fees, other revenue, and investment income of \$44,089 or 9%, \$23,437 or 78%, and \$30,976 or 132%, respectively, offset by an increase in donated space and services of \$4,381 or 2%.

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, 2022:



The major components of expenses for the years ended June 30, 2023 and 2022 are as follows:

Expenses

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 42,870	21,134	21,736	103%
Athletics and recreation	30,836	94,333	(63,497)	(67%)
Student clubs and organizations	23,524	18,489	5,035	27%
Childcare	29,988	29,582	406	1%
Management and general	<u>581,884</u>	<u>464,345</u>	<u>117,539</u>	25%
Total operating expenses	709,102	627,883	81,219	13%
Nonoperating expenses - College support	<u>-</u>	<u>2,928</u>	<u>(2,928)</u>	(100%)
Total expenses	\$ <u>709,102</u>	<u>630,811</u>	<u>78,291</u>	12%

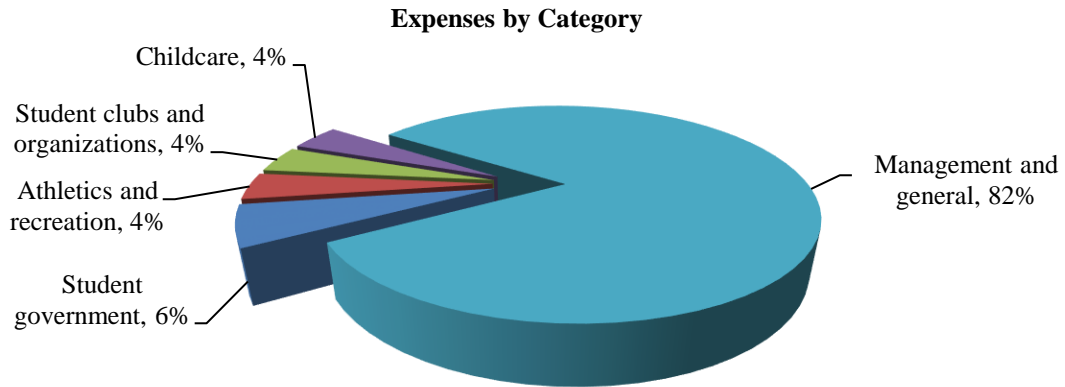
Total expenses for the year ended June 30, 2023 were \$709,102, an increase of \$78,291 or 12%, compared to the previous year. The Association's expenses are activity driven. An overall increase in programs and events will result in an increase in expenditures and vice versa. This explains the Association's overall increase in expenses.

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

The increase in expenses is mainly due to an increase in programs and activities held during the year. The overall increase in expenses is the result of increases in student government management and general of \$21,736 or 103% and \$117,539 or 25%, respectively, offset by a decrease in athletics and recreation of \$63,497 or 67%.

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, 2023:



The major components of expenses for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 21,134	83,283	(62,149)	(75%)
Athletics and recreation	94,333	65,954	28,379	43%
Student clubs and organizations	18,489	85,832	(67,343)	(78%)
Childcare	29,582	36,563	(6,981)	(19%)
Management and general	<u>464,345</u>	<u>290,086</u>	<u>174,259</u>	60%
Total operating expenses	<u>627,883</u>	<u>561,718</u>	<u>66,165</u>	12%
Nonoperating expenses:				
College support	2,928	16,907	(13,979)	(83%)
Other	-	49	(49)	(100%)
Total nonoperating expenses	<u>2,928</u>	<u>16,956</u>	<u>(14,028)</u>	(83%)
Total expenses	\$ <u>630,811</u>	<u>578,674</u>	<u>52,137</u>	9%

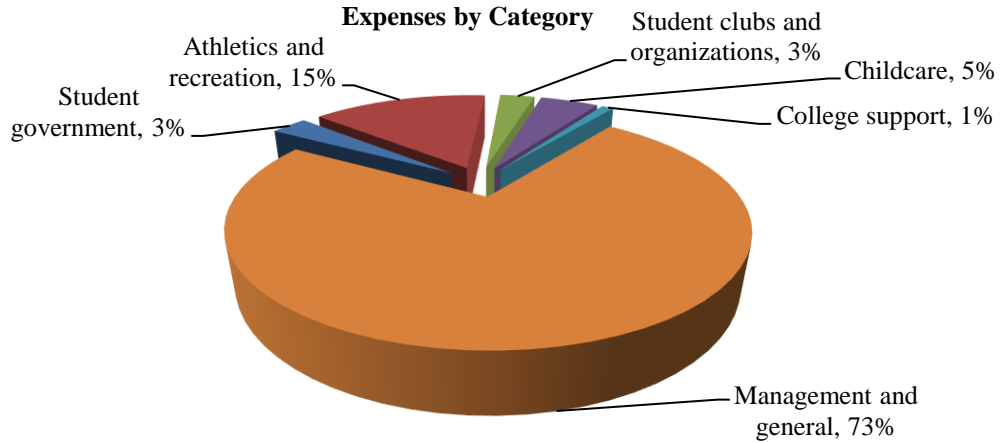
EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Total expenses for the year ended June 30, 2022 were \$630,811, an increase of \$52,137 or 9%, 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 increase in expenses.

The increase in expenses is mainly due to an increase in programs and activities held during the year. The overall increase in expenses is the result of increases in management and general and athletics and recreation of \$174,259 or 60% and \$28,379 or 43%, offset by decreases in student government, student clubs and organizations, childcare, and nonoperating expenses of \$62,149 or 75%, \$67,343 or 78%, \$6,981 or 19%, and \$14,028 or 83%, respectively.

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

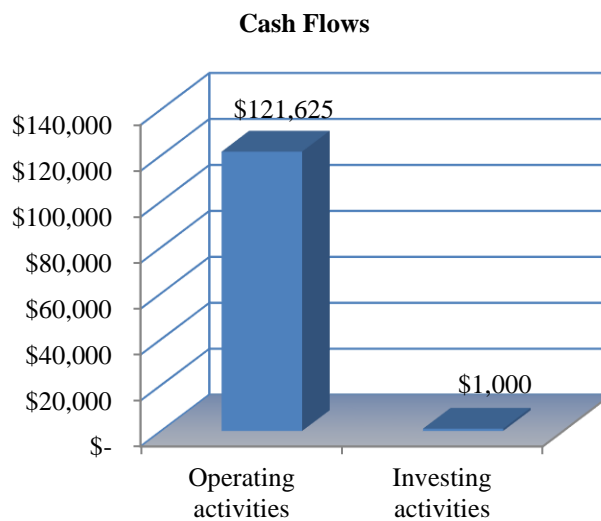
The following illustrates the Association's expenses, by category, for the year ended June 30, 2022:



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, 2023:



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.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Net Position
June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and equivalents	\$ 927,685	805,060
Investments in CUNY investment pool, short-term	7,840	7,448
Accounts receivable	-	56,866
Due from related entities	151,914	150,456
Prepaid expenses	-	9,411
Total current assets	1,087,439	1,029,241
Noncurrent assets - investments in CUNY investment pool, long-term	148,968	141,519
Total assets	1,236,407	1,170,760
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	10,884	29,766
Due to related entities	329,885	283,335
Unearned revenue	-	23,079
Total liabilities	340,769	336,180
<u>Net Position</u>		
Unrestricted:		
Undesignated	891,614	830,556
Board designated	4,024	4,024
Total unrestricted	\$ 895,638	834,580

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Student activity fees	\$ 428,726	464,825
Donated space and services	272,291	279,695
Other	<u>60,302</u>	<u>6,435</u>
Total operating revenue	<u>761,319</u>	<u>750,955</u>
Operating expenses:		
Student government	42,870	21,134
Athletics and recreation	30,836	94,333
Student clubs and organizations	23,524	18,489
Childcare	29,988	29,582
Management and general	<u>581,884</u>	<u>464,345</u>
Total operating expenses	<u>709,102</u>	<u>627,883</u>
Income from operations	<u>52,217</u>	<u>123,072</u>
Nonoperating revenue (expenses):		
Investment income (loss)	8,841	(7,457)
College support	<u>-</u>	<u>(2,928)</u>
Total nonoperating revenue (expenses), net	<u>8,841</u>	<u>(10,385)</u>
Change in net position	61,058	112,687
Net position at beginning of year	<u>834,580</u>	<u>721,893</u>
Net position at end of year	<u><u>\$ 895,638</u></u>	<u><u>834,580</u></u>

See accompanying notes to financial statements.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 461,770	438,197
Other	4,159	6,435
Cash payments to/for:		
Payroll	(88,881)	(71,331)
Student activities	(22,652)	(90,408)
Vendors	<u>(232,771)</u>	<u>(375,760)</u>
Net cash provided by (used in) operating activities	<u>121,625</u>	<u>(92,867)</u>
Cash flows from noncapital financing activities - College support	-	(2,928)
Cash flows from investing activities:		
Investment income (loss)	8,841	(7,457)
Purchases of investments	(8,841)	-
Sale of investments	<u>1,000</u>	<u>7,457</u>
Net cash provided by investing activities	<u>1,000</u>	<u>-</u>
Net change in cash and equivalents	122,625	(95,795)
Cash and equivalents at beginning of year	<u>805,060</u>	<u>900,855</u>
Cash and equivalents at end of year	<u>\$ 927,685</u>	<u>805,060</u>
Reconciliation of income from operations to net cash provided by (used in) operating activities:		
Income from operations	52,217	123,072
Bad debt expense	52,078	-
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities - changes in:		
Accounts receivable	4,788	(52,496)
Due from related entities	(1,458)	21,744
Prepaid expenses	9,411	(778)
Accounts payable and accrued expenses	(18,882)	(24,977)
Due to related entities	46,550	(164,403)
Unearned revenue	<u>(23,079)</u>	<u>4,971</u>
Net cash provided by (used in) operating activities	<u>\$ 121,625</u>	<u>(92,867)</u>

See accompanying notes to financial statements.

EUGENIO MARIA DE HOSTOS
COMMUNITY COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(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, 2023 and 2022, 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, 2022, the Association had \$23,079 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.

(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, 2023, \$578,961 of the Association's bank balance of \$952,046 was exposed to custodial credit risk as it was uninsured and uncollateralized. At June 30, 2022, \$529,570 of the Association's bank balance of \$812,702 was exposed to custodial credit risk as it was uninsured and uncollateralized.

The Association does not have a deposit policy.

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Notes to Financial Statements, Continued

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

The Association's investments in the CUNY investment pool are comprised of 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, 2023 and 2022 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Investments in CUNY investment pool, short-term	\$ 7,840	7,448
Investments in CUNY investment pool, long-term	<u>148,968</u>	<u>141,519</u>
Total investments in CUNY investment pool	\$ <u>156,808</u>	<u>148,967</u>

The following table summarizes the activity of investments during the years ended June 30, 2023 and 2022:

Balance at June 30, 2021	\$ 156,424
Dividends and interest income	1,664
Realized and unrealized losses, net	<u>(9,121)</u>
Balance at June 30, 2022	148,967
Dividends and interest income	2,181
Realized and unrealized gains, net	6,660
Withdrawals	<u>(1,000)</u>
Balance at June 30, 2023	\$ <u>156,808</u>

A summary for investment income (loss) from the CUNY investment pool for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 2,181	1,664
Realized gains	2,376	12,621
Unrealized gains (losses)	<u>4,284</u>	<u>(21,742)</u>
Total	\$ <u>8,841</u>	<u>(7,457)</u>

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Notes to Financial Statements, Continued

(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, 2023 and 2022 amounted to the following:

	<u>2023</u>	<u>2022</u>
Facilities	\$ 232,880	244,240
Professional services	<u>39,411</u>	<u>35,455</u>
	\$ <u>272,291</u>	<u>279,695</u>

(6) Related Party Transactions

At June 30, 2023 and 2022, the Association owed \$329,885 and \$283,335, 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, 2023 and 2022, the Association was owed \$151,914 and \$150,456, respectively, from other College entities.

(7) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 15, 2023.