

**HUNTER COLLEGE HIGH SCHOOL  
ALUMNAE/I ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**



**LUTZ AND CARR**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Hunter College High School Alumnae/i Association, Inc.

We have audited the accompanying financial statements of Hunter College High School Alumnae/i Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hunter College High School Alumnae/i Association, Inc. as of June 30, 2020 and 2019, 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.

**Emphasis of Matter**

As discussed in Note 8 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, Hunter College High School Alumnae/i Association, Inc. has suspended some of its program activities at the direction of state and local governmental authorities. Our opinion is not modified with respect to that matter.

*Lotz + Carr, LLP*

New York, New York  
May 12, 2021

## HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash (Note 6a)	\$ 315,583	\$ 238,519
Investments (Notes 1c, 1d and 4)	1,556,035	1,222,649
Prepaid expenses and other current assets	<u>5,263</u>	<u>7,718</u>
<b>Total Assets</b>	<b><u><u>\$1,876,881</u></u></b>	<b><u><u>\$1,468,886</u></u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 6,577	\$ 7,304
Loan Payable - Paycheck Protection Program (Note 5)	<u>44,500</u>	<u>-</u>
Total Liabilities	<u>51,077</u>	<u>7,304</u>
Contingency (Note 8)		
Net Assets		
Without donor restrictions	1,458,216	1,408,400
With donor restrictions (Note 3)	<u>367,588</u>	<u>53,182</u>
Total Net Assets	<u>1,825,804</u>	<u>1,461,582</u>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$1,876,881</u></u></b>	<b><u><u>\$1,468,886</u></u></b>

See notes to financial statements.

## HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Revenues and Other Support		
Contributions (Notes 1b and 6b)	\$ 478,344	\$ 704,296
Program income	50,528	25,579
Membership dues	52,800	64,492
Investment income (Note 4)	42,202	21,113
Other income	18,297	125
	<u>642,171</u>	<u>815,605</u>
Net assets released from restrictions		
Satisfaction of program restrictions	1,275	8,700
	<u>1,275</u>	<u>8,700</u>
Total Revenues and Other Support	<u>643,446</u>	<u>824,305</u>
Expenses		
Program Services		
Grants	144,061	159,470
Other program expenses	208,060	217,479
Total Program Services	<u>352,121</u>	<u>376,949</u>
Supporting Services		
Management and general	141,098	136,139
Fundraising	100,411	90,886
Total Supporting Services	<u>241,509</u>	<u>227,025</u>
Total Expenses	<u>593,630</u>	<u>603,974</u>
Increase in Net Assets Without Donor Restrictions	<u>49,816</u>	<u>220,331</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions (Note 1b)	315,681	24,282
Net assets released from restrictions	<u>(1,275)</u>	<u>(8,700)</u>
Increase in Net Assets With Donor Restrictions	<u>314,406</u>	<u>15,582</u>
Increase in net assets	364,222	235,913
Net assets, beginning of year	<u>1,461,582</u>	<u>1,225,669</u>
<b>Net Assets, End of Year</b>	<u><u>\$1,825,804</u></u>	<u><u>\$1,461,582</u></u>

See notes to financial statements.

## HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total	
Salaries, payroll taxes and fringe benefits	\$117,424	\$ 79,949	\$ 52,466	\$132,415	\$249,839
Program grants	144,061	-	-	-	144,061
Programs and events	21,318	92	-	92	21,410
Printing and reproduction	46,161	5,040	5,831	10,871	57,032
Consulting fees	2,568	18,038	-	18,038	20,606
Website	-	-	1,254	1,254	1,254
Accounting and bookkeeping	-	18,339	-	18,339	18,339
Travel	1,173	75	-	75	1,248
Postage and delivery	18,064	2,880	5,236	8,116	26,180
Supplies and materials	1,352	2,678	31,713	34,391	35,743
Insurance	-	1,053	-	1,053	1,053
Miscellaneous	-	12,954	3,911	16,865	16,865
Total Expenses	<u>\$352,121</u>	<u>\$ 141,098</u>	<u>\$ 100,411</u>	<u>\$241,509</u>	<u>\$593,630</u>

See notes to financial statements.

## HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total	
Salaries, payroll taxes and fringe benefits	\$ 98,454	\$ 67,032	\$ 43,990	\$111,022	\$209,476
Program grants	159,470	-	-	-	159,470
Programs and events	20,459	-	-	-	20,459
Printing and reproduction	50,849	5,599	6,923	12,522	63,371
Consulting fees	1,116	8,609	-	8,609	9,725
Website	-	-	5,500	5,500	5,500
Accounting and bookkeeping	-	16,594	-	16,594	16,594
Travel	6,399	39	-	39	6,438
Meeting expenses	-	-	22,016	22,016	22,016
Postage and delivery	22,346	3,544	6,597	10,141	32,487
Supplies and materials	17,691	25,194	4,939	30,133	47,824
Insurance	-	2,051	-	2,051	2,051
Miscellaneous	95	7,428	890	8,318	8,413
Total expenses before depreciation	376,879	136,090	90,855	226,945	603,824
Depreciation	70	49	31	80	150
Total Expenses	<u>\$376,949</u>	<u>\$ 136,139</u>	<u>\$ 90,886</u>	<u>\$227,025</u>	<u>\$603,974</u>

See notes to financial statements.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 364,222	\$235,913
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	-	150
Realized gain on investments	(14,920)	-
Unrealized gain on investments	(12,071)	(15,947)
Decrease in:		
Unconditional promises to give	-	12,976
Prepaid expenses and other current assets	2,455	9,937
Increase (decrease) in accounts payable and accrued expenses	(727)	1,480
Net Cash Provided By Operating Activities	338,959	244,509
 <b>Cash Flows From Investing Activities</b>		
Purchases of investments	(11,093,395)	(982,972)
Proceeds from sale of investments	10,787,000	-
Net Cash Used By Investing Activities	(306,395)	(982,972)
 <b>Cash Flows From Financing Activities</b>		
Proceeds from loan payable - Paycheck Protection Program	44,500	-
Net increase (decrease) in cash	77,064	(738,463)
Cash, beginning of year	238,519	976,982
 <b>Cash, End of Year</b>	<b>\$ 315,583</b>	<b>\$238,519</b>

See notes to financial statements.



**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2020 AND 2019****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

The Hunter College High School Alumnae/i Association, Inc. (the "Association") is a not-for-profit corporation organized in the State of New York on May 12, 1997. The Association's mission is to organize alumnae and alumni in furtherance of Hunter College High School (the "School") activities. It accomplishes this goal through the establishment of scholarships, fellowships, other student aid programs and sponsorship of various academic and cultural activities in cooperation with the School. In addition, it serves as an advocate for the School and it creates and sustains a social and professional network for Alumnae/i of the School.

**b - Contributions**

Contributions are recognized when the donor makes a promise to give to the Association, that is, in substance, unconditional. Conditional promises to give - that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future - are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**c - Investments**

The Association reflects its investments at fair value in the statements of financial position. Interest, dividends, and gains and losses on investments are reflected in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income that is restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the investment income is recognized.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

d - Fair Value Measurements

Fair value is defined as the price that would be received in the sale of an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Association. Unobservable inputs reflect the Association's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value of the Association's investments is measured using Level 1 inputs quoted prices in active markets.

e - Financial Statement Presentation

The Association is required to report 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

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and Board of Directors.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2020 AND 2019****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Financial Statement Presentation (continued)****Net Assets With Donor Restrictions**

Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**f - Functional Allocation of Expenses**

The financial statements report certain categories of expenses that may be attributable to more than one program or supporting function. The expenses that are allocated include salaries, payroll taxes and fringe benefits, which are allocated based on an estimate of employee time and effort; and insurance, postage and delivery, supplies and materials, travel, depreciation and certain other expenses, which are allocated based on an estimate of office usage by square foot.

**g - Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**h - Tax Status**

Hunter College High School Alumnae/i Association, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**i - Subsequent Events**

The Association has evaluated subsequent events through May 12, 2021, the date that the financial statements are considered available to be issued.

**j - New Accounting Pronouncement**

For the year ended June 30, 2020, the Association has adopted Accounting Standards Update ("ASU") No. 2018-08, *Not-for-profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. The ASU clarifies and improves the current guidance about whether a transfer of assets is a contribution or exchange transaction. In addition, the ASU requires that an entity determine whether an agreement includes a measurable performance-related barrier that must be overcome and either a right of return of assets transferred or a release of a promisor's obligation to transfer assets. Analysis of the provisions of the ASU resulted in no significant changes in the way the Association recognizes revenue.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**Note 2 - Information Regarding Liquidity and Availability**

The Association operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contributions, membership fees, investment income and program and other income earned during the current year. The Association considers general expenditures to consist of all expenses related to its ongoing program activities and the expenses related to general and administrative activities undertaken to support those services. The Association regularly monitors liquidity to meet its operating needs and other commitments and obligations. Management prepares regular cash flow projections to determine liquidity needs.

The Association's financial assets as of June 30, 2020 and 2019 available within one year to meet cash needs for general expenditures are summarized as follows:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year End:		
Cash	\$ 315,583	\$ 238,519
Investments	<u>1,556,035</u>	<u>1,222,649</u>
Total Financial Assets	1,871,618	1,461,168
Less: Net assets with donor restrictions	(367,588)	(53,182)
Add: Net assets with restrictions expected to be met within one year	<u>1,275</u>	<u>8,700</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,505,305</u>	<u>\$1,416,686</u>

**Note 3 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for scholarships and stipends.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

**Note 4 - Investments**

Investments at June 30, 2020 and 2019 consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Cash	\$ 1,233	\$ 1,233	\$ 1,703	\$ 1,703
Fixed income bond funds	229,073	259,835	223,197	240,158
US Treasury securities	<u>1,294,828</u>	<u>1,294,967</u>	<u>978,919</u>	<u>980,788</u>
	<u>\$1,525,134</u>	<u>\$1,556,035</u>	<u>\$1,203,819</u>	<u>\$1,222,649</u>

Investment income consists of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$15,211	\$ 5,166
Realized gains	14,920	-
Unrealized gains	<u>12,071</u>	<u>15,947</u>
	<u>\$42,202</u>	<u>\$21,113</u>

**Note 5 - Loan Payable - Paycheck Protection Program**

In April 2020, the Association received a loan totaling \$44,500, under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loan bears interest at 0.98% per annum, is due in April 2022, and may be forgiven if the Association meets certain employee retention requirements and the funds are used for certain eligible expenses. The loan was fully forgiven on January 6, 2021.

**Note 6 - Concentrations**

a - Cash

The Association maintains its cash in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation. The cash balances may at times exceed insured limits.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2020 AND 2019****Note 6 - Concentrations (continued)****b - Contributions**

In 2020 and 2019 contributions include bequests totaling approximately \$322,000 and \$370,000, respectively, which comprise 41% and 53% of total contributions.

**Note 7 - Donated Services and Use of Facilities**

Hunter College has allocated a small office to the Association for operational use at no charge. In addition, in an effort to minimize the cost of operations, the Association is managed primarily through the services of volunteers. These services include, but are not limited to, business and financial management, event planning, and coordinating, alumnae/i tracking and updates and newsletter publishing and distribution. These financial statements do not reflect or estimate the income and expense related to the donated services and use of facilities because they do not meet the criteria needed to record their values under generally accepted accounting principles.

**Note 8 - Risks and Uncertainties**

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Association has suspended some of its program activities at the direction of state and local governmental authorities. While management is currently evaluating the potential impact that the resulting economic uncertainties may have on the Association, it believes that its current financial assets are sufficient to support the Association's operations on an ongoing basis.