

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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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, 2021 and 2020, 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, 2021 and 2020, 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  
April 28, 2022

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

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 6)	\$1,136,285	\$ 316,816
Investments (Notes 1d, 1e and 4)	867,125	1,554,802
Prepaid expenses and other current assets	<u>5,300</u>	<u>5,263</u>
<b>Total Assets</b>	<u><u>\$2,008,710</u></u>	<u><u>\$1,876,881</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Grants payable (Note 1f)	\$ 158,000	\$ -
Accounts payable and accrued expenses	9,559	6,577
Loans payable - Paycheck Protection Program (Note 5)	<u>45,340</u>	<u>44,500</u>
Total Liabilities	<u>212,899</u>	<u>51,077</u>
Contingency (Note 8)		
Net Assets		
Without donor restrictions	1,397,098	1,458,216
With donor restrictions (Note 3)	<u>398,713</u>	<u>367,588</u>
Total Net Assets	<u>1,795,811</u>	<u>1,825,804</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$2,008,710</u></u>	<u><u>\$1,876,881</u></u>

See notes to financial statements.

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

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Revenues and Other Support		
Contributions (Note 1c)	\$ 435,185	\$ 456,083
Program income	219	50,528
Membership dues	26,170	52,800
Loan forgiveness - Paycheck Protection Program (Note 5)	44,500	-
Investment income (loss) (Note 4)	(1,337)	42,202
Other income	1,466	18,297
	<u>506,203</u>	<u>619,910</u>
Net assets released from restrictions		
Satisfaction of program restrictions	<u>500</u>	<u>1,275</u>
Total Revenues and Other Support	<u>506,703</u>	<u>621,185</u>
Expenses		
Program Services		
Grants	317,010	144,061
Other program expenses	163,883	208,060
Total Program Services	<u>480,893</u>	<u>352,121</u>
Supporting Services		
Management and general	117,737	141,098
Fundraising	96,667	100,411
Total Supporting Services	<u>214,404</u>	<u>241,509</u>
Total Expenses	<u>695,297</u>	<u>593,630</u>
Increase (Decrease) in Net Assets Without Donor Restrictions Before Bequests	(188,594)	27,555
Bequests	<u>127,476</u>	<u>22,261</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(61,118)</u>	<u>49,816</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions (Note 1c)	31,625	315,681
Net assets released from restrictions	<u>(500)</u>	<u>(1,275)</u>
Increase in Net Assets With Donor Restrictions	<u>31,125</u>	<u>314,406</u>
Increase (decrease) in net assets	(29,993)	364,222
Net assets, beginning of year	<u>1,825,804</u>	<u>1,461,582</u>
<b>Net Assets, End of Year</b>	<u><u>\$1,795,811</u></u>	<u><u>\$1,825,804</u></u>

See notes to financial statements.

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

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020

	Program Services	Supporting Services			2021	2020
		Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and fringe benefits	\$119,592	\$ 81,424	\$ 53,435	\$134,859	\$254,451	\$249,839
Program grants	317,010	-	-	-	317,010	144,061
Programs and events	-	-	-	-	-	21,410
Printing and reproduction	19,773	2,028	1,808	3,836	23,609	57,032
Consulting fees	5,655	2,351	-	2,351	8,006	20,606
Website	-	-	-	-	-	1,254
Accounting and bookkeeping	-	16,726	-	16,726	16,726	18,339
Travel	-	-	-	-	-	1,248
Postage and delivery	5,407	862	1,567	2,429	7,836	26,180
Supplies and materials	13,456	1,750	32,255	34,005	47,461	35,743
Insurance	-	965	-	965	965	1,053
Miscellaneous	-	11,631	7,602	19,233	19,233	16,865
Total Expenses, 2021	<u>\$480,893</u>	<u>\$ 117,737</u>	<u>\$ 96,667</u>	<u>\$214,404</u>	<u>\$695,297</u>	
Total Expenses, 2020	<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, 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.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ (29,993)	\$ 364,222
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Donated securities	(14,485)	-
Realized (gain) loss on investments	9,151	(14,920)
Unrealized gains on investments	(874)	(12,071)
Loan forgiveness - Paycheck Protection Program	(44,500)	-
(Increase) decrease in prepaid expenses and other current assets	(37)	2,455
Increase (decrease) in:		
Grants payable	158,000	-
Accounts payable and accrued expenses	2,982	(727)
Net Cash Provided By Operating Activities	<u>80,244</u>	<u>338,959</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(1,440,253)	(11,092,162)
Proceeds from sale of investments	<u>2,134,138</u>	<u>10,787,000</u>
Net Cash Provided (Used) By Investing Activities	<u>693,885</u>	<u>(305,162)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from loans payable - Paycheck Protection Program	<u>45,340</u>	<u>44,500</u>
Net increase in cash and cash equivalents	819,469	78,297
Cash and cash equivalents, beginning of year	<u>316,816</u>	<u>238,519</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$1,136,285</u></u>	<u><u>\$ 316,816</u></u>

See notes to financial statements.



**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

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 promote the charitable, scientific, literary and educational activities for Hunter College High School (the "School") and its alumnae/i. It accomplishes this goal through the establishment of scholarships, fellowships, and offers other student aid programs and sponsorship of various academic and cultural activities for the School and its alumnae/i. 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 - Cash and cash equivalents**

For purposes of the statement of cash flows, the Association considers all short-term highly liquid investments, purchased with an original maturity of three months or less, to be cash equivalents.

**c - 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.

**d - 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, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - 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 that 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.

**f - Grants**

Grants are accrued when authorized. All grants were paid as of December 31, 2021.

**g - Revenue Recognition**

Fees received from participants in the Association's programs are accounted for as exchange transactions and are recognized at the point in time in which the event or program takes place. Fees received in advance of the event or program, if any, are recorded as deferred revenue in the statements of financial position.

Beginning December 2020, memberships are provided free of charge to all alumnae/i of the School. Membership dues received prior to December 2020 are in support of the Association's programs and operations and, accordingly, are recorded as contribution revenue.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2021 AND 2020****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****h - Financial Statement Presentation**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

**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.

**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.

**i - 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.

**j - 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.

**k - 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.

**l - Prior Year Information**

Certain 2020 amounts have been reclassified to conform to the presentation used in 2021.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

m - Subsequent Events

The Association has evaluated subsequent events through April 28, 2022, the date that the financial statements are considered available to be issued.

n - New Accounting Standard

In 2021, the Association adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers ("Topic 606")*, which provided new guidance for revenue recognized from contracts with customers and replaced the previously-existing revenue recognition guidance. ASU 2014-09 requires that revenue be recognized at an amount the Association is entitled to receive upon transferring control of goods or services to customers. The adoption of ASU 2014-09 had no significant impact on the Association's financial statements.

**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 and investment 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, 2021 and 2020 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,136,285	\$ 316,816
Investments	<u>867,125</u>	<u>1,554,802</u>
Total Financial Assets	2,003,410	1,871,618
Less: Net assets with donor restrictions	(398,713)	(367,588)
Plus: Net assets with restrictions expected to be met within one year	<u>500</u>	<u>1,275</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,605,197</u>	<u>\$1,505,305</u>

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

Net assets with donor restrictions are restricted for scholarships, stipends and grants to support programs and develop facilities at the School.

**Note 4 - Investments**

Investments at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Fixed income bond funds	\$235,172	\$259,920	\$ 229,073	\$ 259,835
U.S. Treasury securities	535,832	539,727	-	-
Exchange traded funds	50,335	52,356	-	-
Equities	<u>14,011</u>	<u>15,122</u>	<u>1,294,828</u>	<u>1,294,967</u>
	<u>\$835,350</u>	<u>\$867,125</u>	<u>\$1,523,901</u>	<u>\$1,554,802</u>

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

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 6,940	\$15,211
Realized gains/losses	(9,151)	14,920
Unrealized gains	<u>874</u>	<u>12,071</u>
	<u>\$(1,337)</u>	<u>\$42,202</u>

**Note 5 - Loans 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 bore interest at 0.98% per annum, was due in April 2022, and could be forgiven if the Association met certain employee retention requirements and the funds were used for certain eligible expenses. The loan was fully forgiven on January 6, 2021.

**HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2021 AND 2020****Note 5 - Loans Payable - Paycheck Protection Program (continued)**

In February 2021, the Association received a second Paycheck Protection Program loan in the amount of \$45,340 with the same terms as the first loan. The loan was fully forgiven on October 8, 2021.

**Note 6 - Cash Concentrations**

The Association maintains its cash with financial institutions located in New York City. The balances are insured by the Federal Deposit Insurance Corporation and other agencies. The cash balances may at times exceed insured limits.

**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.