

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

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



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.

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hunter College High School Alumnae/i Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hunter College High School Alumnae/i Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Hunter College High School Alumnae/i Association, Inc.'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 Hunter College High School Alumnae/i Association, Inc.'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 audit.

Lutz + Carr, LLP

New York, New York
March 27, 2024

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents (Notes 1b and 4)	\$ 256,756	\$1,136,285
Prepaid expenses and other current assets	11,579	5,300
Investments (Notes 1d, 1e and 5)	1,418,682	867,125
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 6)	<u>5,761</u>	<u>-</u>
Total Assets	<u><u>\$1,692,778</u></u>	<u><u>\$2,008,710</u></u>
Liabilities and Net Assets		
Liabilities		
Grants payable (Notes 1g and 7)	\$ 19,000	\$ 158,000
Accounts payable and accrued expenses	12,272	9,559
Loan payable - Paycheck Protection Program (Note 8)	<u>-</u>	<u>45,340</u>
Total Liabilities	<u>31,272</u>	<u>212,899</u>
Net Assets		
Without donor restrictions	1,309,346	1,397,098
With donor restrictions (Note 3)	<u>352,160</u>	<u>398,713</u>
Total Net Assets	<u>1,661,506</u>	<u>1,795,811</u>
Total Liabilities and Net Assets	<u><u>\$1,692,778</u></u>	<u><u>\$2,008,710</u></u>

See notes to financial statements.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Changes in Net Assets Without Donor Restrictions		
Revenues and Other Support		
Contributions	\$ 298,939	\$ 435,185
Program income	9,697	219
Membership dues	-	26,170
Loan forgiveness - Paycheck Protection Program (Note 8)	45,340	44,500
Investment loss (Note 5)	(155,757)	(1,337)
Other income	<u>2,535</u>	<u>1,466</u>
	200,754	506,203
Net assets released from restrictions		
Satisfaction of program restrictions	<u>47,428</u>	<u>500</u>
Total Revenues and Other Support	<u>248,182</u>	<u>506,703</u>
Expenses		
Program Services		
Grants	30,190	317,010
Other program expenses	<u>168,191</u>	<u>163,883</u>
Total Program Services	<u>198,381</u>	<u>480,893</u>
Supporting Services		
Management and general	91,464	117,737
Fundraising	<u>46,089</u>	<u>96,667</u>
Total Supporting Services	<u>137,553</u>	<u>214,404</u>
Total Expenses	<u>335,934</u>	<u>695,297</u>
Decrease in Net Assets Without Donor Restrictions		
Before Bequests	(87,752)	(188,594)
Bequests	<u>-</u>	<u>127,476</u>
Decrease in Net Assets Without Donor Restrictions	<u>(87,752)</u>	<u>(61,118)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	875	31,625
Net assets released from restrictions	<u>(47,428)</u>	<u>(500)</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(46,553)</u>	<u>31,125</u>
Decrease in net assets	(134,305)	(29,993)
Net assets, beginning of year	<u>1,795,811</u>	<u>1,825,804</u>
Net Assets, End of Year	<u><u>\$1,661,506</u></u>	<u><u>\$1,795,811</u></u>

See notes to financial statements.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/II ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE TOTALS FOR 2021

	Program Services	Supporting Services			2022	2021
		Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and fringe benefits	\$ 83,127	\$ 56,597	\$ 37,142	\$ 93,739	\$176,866	\$254,451
Program grants	30,190	-	-	-	30,190	317,010
Programs and events	22,689	-	-	-	22,689	-
Printing and reproduction	32,186	3,408	3,572	6,980	39,166	23,609
Consulting fees	4,346	-	-	-	4,346	8,006
Accounting and bookkeeping	-	21,700	-	21,700	21,700	16,726
Travel	135	-	-	-	135	-
Postage and delivery	5,689	907	1,649	2,556	8,245	7,836
Supplies and materials	20,019	5,047	3,454	8,501	28,520	47,461
Insurance	-	878	-	878	878	965
Depreciation	-	139	-	139	139	-
Miscellaneous	-	2,788	272	3,060	3,060	19,233
Total Expenses, 2022	<u>\$198,381</u>	<u>\$ 91,464</u>	<u>\$ 46,089</u>	<u>\$137,553</u>	<u>\$335,934</u>	
Total Expenses, 2021	<u>\$480,893</u>	<u>\$ 117,737</u>	<u>\$ 96,667</u>	<u>\$214,404</u>		<u>\$695,297</u>

See notes to financial statements.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/II ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries, payroll taxes and fringe benefits	\$119,592	\$ 81,424	\$ 53,435	\$134,859	\$254,451
Program grants	317,010	-	-	-	317,010
Printing and reproduction	19,773	2,028	1,808	3,836	23,609
Consulting fees	5,655	2,351	-	2,351	8,006
Accounting and bookkeeping	-	16,726	-	16,726	16,726
Postage and delivery	5,407	862	1,567	2,429	7,836
Supplies and materials	13,456	1,750	32,255	34,005	47,461
Insurance	-	965	-	965	965
Miscellaneous	-	11,631	7,602	19,233	19,233
Total Expenses	<u>\$480,893</u>	<u>\$ 117,737</u>	<u>\$ 96,667</u>	<u>\$214,404</u>	<u>\$695,297</u>

See notes to financial statements.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Decrease in net assets	\$ (134,305)	\$ (29,993)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	139	-
Donated securities	(1,327)	(14,485)
Realized (gain) loss on investments	(332)	9,151
Unrealized (gain) loss on investments	173,660	(874)
Loan forgiveness - Paycheck Protection Program	(45,340)	(44,500)
Decrease in prepaid expenses and other current assets	(6,279)	(37)
Increase (decrease) in:		
Grants payable	(139,000)	158,000
Accounts payable and accrued expenses	2,713	2,982
Net Cash Provided (Used) By Operating Activities	<u>(150,071)</u>	<u>80,244</u>
Cash Flows From Investing Activities		
Purchases of investments	(777,526)	(1,440,253)
Proceeds from sale of investments	53,968	2,134,138
Acquisition of property and equipment	(5,900)	-
Net Cash Provided (Used) By Investing Activities	<u>(729,458)</u>	<u>693,885</u>
Cash Flows From Financing Activities		
Proceeds from loans payable - Paycheck Protection Program	-	45,340
Net increase (decrease) in cash and cash equivalents	(879,529)	819,469
Cash and cash equivalents, beginning of year	<u>1,136,285</u>	<u>316,816</u>
Cash and Cash Equivalents, End of Year	<u>\$ 256,756</u>	<u>\$1,136,285</u>

See notes to financial statements.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2022 AND 2021****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 restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions 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, 2022 AND 2021****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 - Property and Equipment

Property and equipment are reported at cost and are being depreciated using the straight-line method over the estimated useful life of the related asset.

g - Grants

Grants are accrued when authorized.

h - 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.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2022 AND 2021****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****h - Revenue Recognition (continued)**

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.

i - Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), 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.

j - 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.

k - Estimates

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

l - 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.

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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

m - Subsequent Events

The Association has evaluated subsequent events through March 27, 2024, the date that the financial statements are considered available to be issued.

n - Recent Accounting Pronouncement

For 2022, the Association adopted Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the 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, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 256,756	\$1,136,285
Investments	<u>1,418,682</u>	<u>867,125</u>
Total Financial Assets	1,675,438	2,003,410
Less: Net assets with donor restrictions	(352,160)	(398,713)
Plus: Net assets with restrictions expected to be met within one year	<u>500</u>	<u>500</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,323,778</u>	<u>\$1,605,197</u>

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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 - Cash Concentration

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 5 - Investments

Investments at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Fixed income bond funds	\$ 241,097	\$ 237,747	\$235,172	\$259,920
U.S. Treasury securities	1,105,464	998,742	535,832	539,727
Exchange traded funds	214,006	182,193	50,335	52,356
Equities	-	-	14,011	15,122
	<u>\$1,560,567</u>	<u>\$1,418,682</u>	<u>\$835,350</u>	<u>\$867,125</u>

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

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 17,571	\$ 6,940
Realized gains (losses)	332	(9,151)
Unrealized gains (losses)	<u>(173,660)</u>	<u>874</u>
	<u>\$(155,757)</u>	<u>\$(1,337)</u>

HUNTER COLLEGE HIGH SCHOOL ALUMNAE/I ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

Note 6 - Property and Equipment

Property and equipment at June 30, 2022 consists of computer equipment with a cost of \$5,900 and related accumulated depreciation of \$139. The Association's computer equipment is depreciated over an estimated useful life of 5 years.

Note 7 - Grants Payable

Changes in the Association's grants payable were as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Grants payable, July 1	\$158,000	\$ -
New grants authorized	30,190	317,070
Grant payments disbursed	<u>(169,190)</u>	<u>(159,070)</u>
Grants Payable, June 30	<u>\$ 19,000</u>	<u>\$158,000</u>

Note 8 - Loan Payable - Paycheck Protection Program

In 2020 and 2021, the Association received loans totaling \$45,430 and \$44,500, respectively, under the Paycheck Protection Program administered by the U.S. Small Business Administration. The loans were fully forgiven by the lender during 2022 and 2021.

Note 9 - 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.