MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION

Financial Statements and
Supplementary Information

June 30, 2022 and 2021

(With Independent Auditors' Report Therein)

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Medgar Evers College Auxiliary
Enterprises Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Medgar Evers College Auxiliary Enterprises Corporation (the Auxiliary) as of and for the years ended June 30, 2022 and 2021, and the related notes to financial statements, which collectively comprise the Auxiliary'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 Medgar Evers College Auxiliary Enterprises Corporation as of June 30, 2022 and 2021. It also displays the changes in its net position and cash flows for the years then ended under 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 Auxiliary 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 under accounting principles generally accepted in the United States of America. Management is also responsible 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 Auxiliary's ability to continue for twelve months beyond the financial statement date. This evaluation includes any currently known information that may present significant doubt shortly after that.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement 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 under generally accepted auditing standards will always detect a material misstatement when it exists. The risk of failure to detect a material misstatement from fraud is higher than one resulting from error; 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 practices 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 to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Auxiliary'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 Auxiliary's ability to continue as a going concern for a reasonable period.

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. Although not a part of the basic financial statements, such information is required by the Governmental Accounting Standards Board, which considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied specific 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
November 9, 2022

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of Medgar Evers College Auxiliary Enterprises Corporation (the Auxiliary) financial position as of June 30, 2022 and 2021, and changes in its net position for the years then ended. The MD&A is designed to focus on current activities, resulting in changes, and currently known facts and should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- Net position decreased by $183,087 or 17%.
- Operating revenue decreased by $118,953 or 29%.
- Operating expenses increased by $115,370 or 33%.

Financial Position

The net position for Auxiliary, the difference between assets and liabilities, determines the Auxiliary financial health. Over time, increases and decreases in the Auxiliary's net position are one indicator of whether the financial health is improving.

Statements of Net Position

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

	2022	2021	Dollar change	Percent change
Current assets	$ 1,148,744	1,430,416	(281,672)	(20%)
Noncurrent assets	159,530	167,515	(7,985)	(5%)
Total assets	1,308,274	1,597,931	(289,657)	(18%)
Current liabilities	439,314	545,884	(106,570)	(20%)
Unrestricted net position	$ 868,960	1,052,047	(183,087)	(17%)

At June 30, 2022, the Auxiliary's total assets decreased by $289,657 or 18% compared to the previous year. This variance is attributed to a decrease in cash and equivalents and accounts receivable of $198,867 and $75,445, respectively. Cash and equivalents decreased primarily due to the timing of payments. Accounts receivable decreased mainly due to the reimbursement from DASNY and Research Foundation for expenses incurred in fiscal year 2021.

At June 30, 2022, the Auxiliary's total liabilities decreased by $106,570 or 20% compared to the previous year. Most of this variance is attributed to the decrease of accounts payable and accrued expenses and unearned revenue of $58,938 and $39,901, respectively. Accounts payable and accrued expenses decreased mainly due to the timing of expense payments. Unearned revenue decreased primarily due to the suspension of services due to the pandemic in fiscal year 2020; the revenue was realized in fiscal year 2022.

The following summarizes the Auxiliary's assets, liabilities, and net position as of June 30, 2021, and 2020, under the accrual basis of accounting:

	2021	2020	Dollar change	Percent change
Current assets	$ 1,430,416	1,354,688	75,728	6%
Noncurrent assets	167,515	142,328	25,187	18%
Total assets	1,597,931	1,497,016	100,915	7%
Current liabilities	545,884	544,589	1,295	1%
Noncurrent liabilities	-	52,917	(52,917)	(100%)
Total liabilities	545,884	597,506	(51,622)	(9%)
Unrestricted net position	$ 1,052,047	899,510	152,537	17%

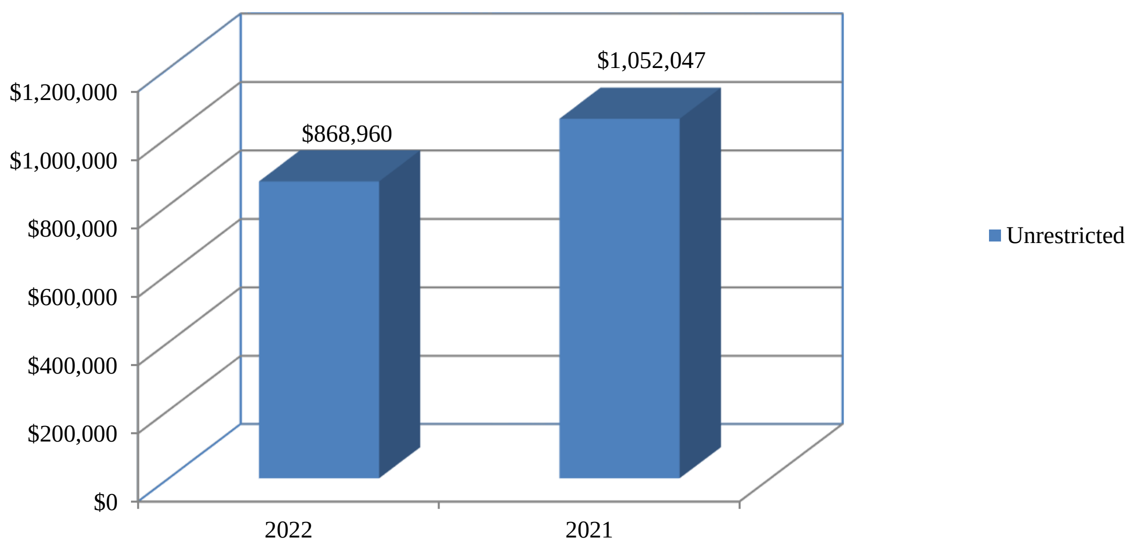
At June 30, 2021, the Auxiliary's total assets increased by $100,915 or 7% compared to the previous year. This variance is attributed to an increase in cash and equivalents and accounts receivable of $69,047 and $633, respectively. Cash and equivalents increased, primarily due to the timing of payments. Accounts receivable mainly increased due to reimbursement from DASNY and Research Foundation.

At June 30, 2021, the Auxiliary's total liabilities decreased by $51,622 or 9% compared to the previous year. The majority of this variance is attributed to the forgiveness of the loan from the Paycheck Protection Program and a decrease in security deposits of $32,500 and $20,417, respectively. Security deposits decreased mainly due to the expiration of the food service provider contract in fiscal year 2020.

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

The following illustrates the Auxiliary's net position on June 30, 2022 and 2021 by category:

Net Position



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 Auxiliary and the non-operating taxes and costs, if any. The significant components of revenue and expenses for the years ended June 30, 2022, and 2021, are as follows:

Revenue

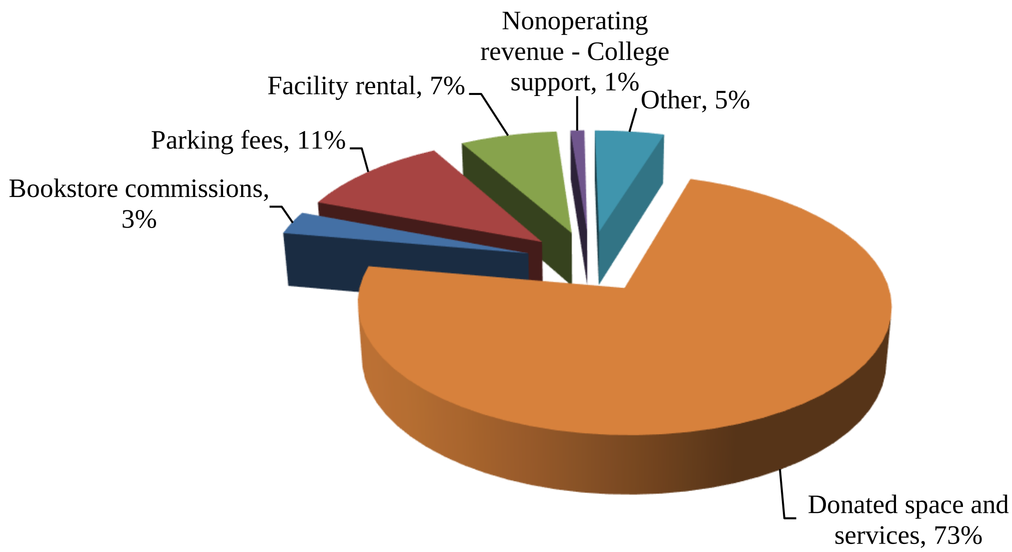
	2022	2021	Dollar change	Percent change
Operating revenue:				
Commissions:				
Bookstore	$ 9,637	137,397	(127,760)	(93%)
Photocopy	417	342	75	22%
Vending	-	17,014	(17,014)	(100%)
Parking fees	33,266	-	33,266	100%
Facility rental	19,114	-	19,114	100%
Other	16,139	45,399	(29,260)	(64%)
Donated space and services	213,490	210,864	2,626	1%
Total operating revenue	292,063	411,016	(118,953)	(29%)
Nonoperating revenue:				
Interest revenue	34	161	(127)	(79%)
Investment income	-	31,135	(31,135)	(100%)
College support	1,864	56,658	(54,794)	(97%)
Total nonoperating revenue	1,898	87,954	(86,056)	(98%)
Total revenue	$ 293,961	498,970	(205,009)	(41%)

The Auxiliary's total operating revenue for the year ended June 30, 2022, amounted to $292,063, a decrease of $118,953 or 29%, compared to the previous year. The major components of this variance are related to reductions in bookstore commission, other income, and vending commissions of $127,760, $29,260, and $17,014, respectively. Bookstore commission and other income decreased mainly due to one-time provision by the bookstore provider and Paycheck Protection Program loan forgiveness in fiscal year 2021. These decreases are offset by parking fees and facility rental increases of $33,266 and $19,114, respectively. Parking fees and facility rental increased primarily due to the College opening for limited in-person activities, and the recognition of deferred revenue from fiscal year 2020 was realized in fiscal year 2022.

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

The following illustrates the Auxiliary's revenue, by source, for the year ended June 30, 2022.

Revenue by Source



The significant components of revenue and expenses for the years ended June 30, 2021 and 2020, are as follows:

Revenue

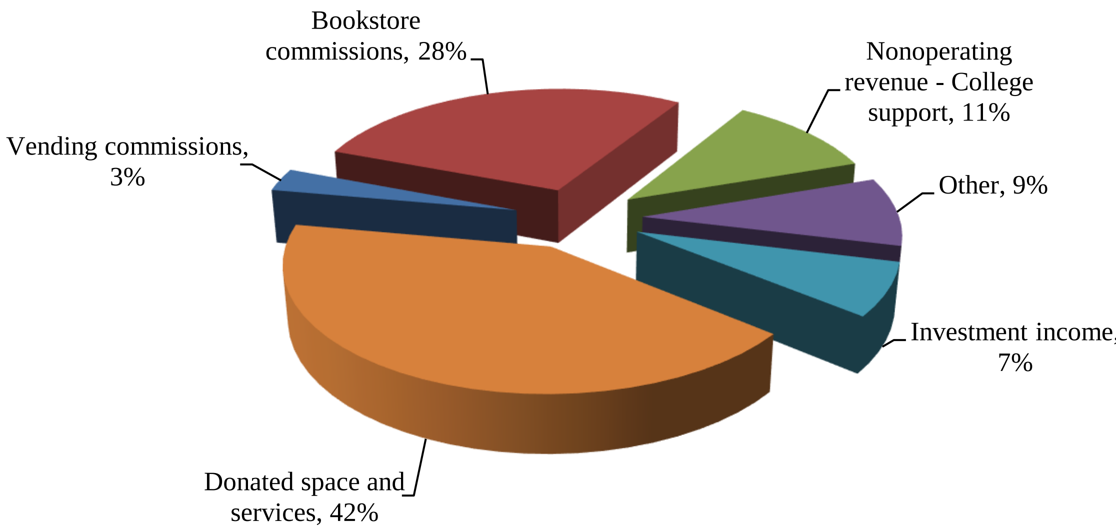
	2021	2020	Dollar change	Percent change
Operating revenue:				
Commissions:				
Bookstore	$ 137,397	28,903	108,494	375%
Photocopy	342	9,341	(8,999)	(96%)
Cafeteria	-	15,000	(15,000)	(100%)
Vending	17,014	80,787	(63,773)	(79%)
Pouring rights	-	43,341	(43,341)	(100%)
Parking fees	-	52,221	(52,221)	(100%)
Facility rental	-	197,789	(197,789)	(100%)
Café	-	124,976	(124,976)	(100%)
Other	45,399	18,125	27,274	150%
Donated space and services	210,864	163,057	47,807	29%
Total operating revenue	411,016	733,540	(322,524)	(44%)
Nonoperating revenue:				
Interest revenue	161	160	1	1%
Investment income	31,135	8,485	22,650	267%
College support	56,658	41,228	15,430	37%
Total nonoperating revenue	87,954	49,873	38,081	76%
Total revenue	$ 498,970	783,413	(284,443)	(36%)

The Auxiliary's total operating revenue for the year ended June 30, 2021, amounted to $411,016, a decrease of $322,524 or 44%, compared to the previous year. The major components of this variance are related to reductions in facility rental, café, vending commissions, parking fees, and pouring rights of $197,789, $124,976, $63,773, $52,221 and $43,341, respectively. The vast majority of these decreases are related to the COVID-19 pandemic and the closure of the College for all in-person activities, reducing the ability to generate revenue. These decreases are offset by an increase in the bookstore commissions of $108,494 based on the COVID-19 pandemic vendor provision of $115,349.

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

The following illustrates the Auxiliary's revenue, by source, for the year ended June 30, 2021:

Revenue by Source



Expenses

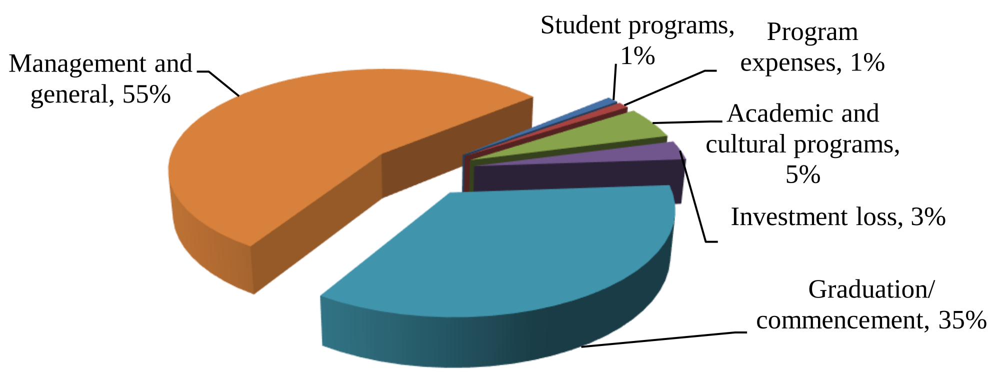
	2022	2021	Dollar change	Percent change
Operating expenses:				
Student programs	$ 6,579	6,716	(137)	(2%)
Graduation/commencement	165,560	40,280	125,280	311%
Program expenses	4,645	19,472	(14,827)	(76%)
Academic and cultural programs	23,712	7,900	15,812	200%
Café	-	847	(847)	(100%)
Management and general	261,307	271,218	(9,911)	(4%)
Total operating expenses	461,803	346,433	115,370	33%
Nonoperating expense - investment loss	15,245	-	15,245	100%
Total expenses	$ 477,048	346,433	130,615	38%

Total operating expenses for the year ended June 30, 2022, amounted to $461,803, an increase of $115,370 or 33%, compared to the previous year. The major components of this variance are related to increases in graduation/commencement and academic and cultural programs of $125,280 and $15,812, respectively. Graduation/commencement increased primarily due to in-person commencement on campus, and the 2021 ceremony was held virtually. Academic and cultural programs increased due to in-person activities on campus.

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

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

Expenses by Category



Expenses

	2021	2020	Dollar change	Percent change
Operating expenses:				
Student programs	$ 6,716	106,617	(99,901)	(94%)
Graduation/commencement	40,280	-	40,280	100%
Recruitment and advertising	-	52,685	(52,685)	(100%)
Program expenses	19,472	34,117	(14,645)	(43%)
Academic and cultural programs	7,900	45,910	(38,010)	(83%)
Café	847	223,349	(222,502)	(99%)
Management and general	271,218	318,565	(47,347)	(15%)
Total expenses	$ 346,433	781,243	(434,810)	(56%)

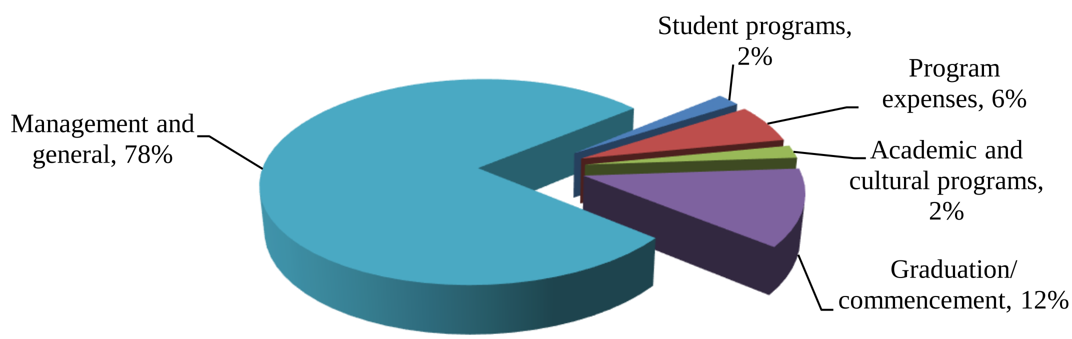
Total expenses for the year ended June 30, 2021, amounted to $346,433, a decrease of $434,810 or 56%, compared to the previous year due to the COVID-19 pandemic. The major components of this variance are related to decreases in café, student programs, recruitment and advertising, management, and general, and academic and cultural programs of $222,502, $99,901, $52,685, $47,347, and $38,010, respectively. The vast majority of these decreases are related to the COVID-19 pandemic and College closing for all in-person activities.

These decreases were offset by an increase in Graduation/Commencement primarily due to the 2021 virtual commencement. The fiscal year 2020 commencement was in collaboration with HBCU, where they incurred all expenses.

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

The following illustrates the Auxiliary's expenses, by category, for the year ended June 30, 2021:

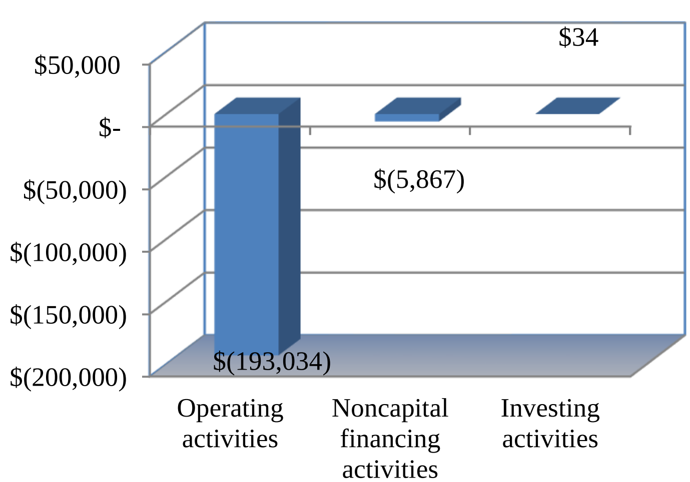
Expenses by Category



Cash Flows

The statements of cash flows provide information about cash receipts and payments during the year. This statement assists users in assessing the Auxiliary's ability to generate net cash flows, meet its targeted obligations, and alleviate its dependency on external financing. The following summarizes the Auxiliary's cash flows for the year ended June 30, 2022:

Cash Flows



Economic Factors That May Affect the Future

No known economic factors may influence the future, except student enrollment, which directly relates to the revenue generated and the associated expenses incurred, and COVID-19, whose effect is not presently determinable.

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION
Statements of Net Position
June 30, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and equivalents	$ 931,424	1,130,291
Accounts receivable	2,475	77,920
Investments in CUNY investment pool, short-term	214,845	222,105
Prepaid expenses	-	100
Total current assets	1,148,744	1,430,416
Noncurrent assets - investments in CUNY investment pool, long-term	159,530	167,515
Total assets	1,308,274	1,597,931
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	10,877	69,815
Deposits held in custody for others	428,437	436,168
Unearned revenue	-	39,901
Total liabilities	439,314	545,884
Net Position		
Unrestricted	$ 868,960	1,052,047

See accompanying notes to financial statements.

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2022 and 2021

	2022	2021
Operating revenue:		
Commissions:		
Bookstore	$ 9,637	137,397
Photocopy	417	342
Vending	-	17,014
Parking fees	33,266	-
Facility rental	19,114	-
Grant - paycheck protection program	-	32,500
Other	16,139	12,899
Donated space and services	213,490	210,864
Total operating revenue	292,063	411,016
Operating expenses:		
Student programs	6,579	6,716
Graduation/commencement	165,560	40,280
Program expenses	4,645	19,472
Academic and cultural programs	23,712	7,900
Café	-	847
Management and general	261,307	271,218
Total operating expenses	461,803	346,433
Income (loss) from operations	(169,740)	64,583
Nonoperating revenue (expense):		
Interest revenue	34	161
Investment income (loss)	(15,245)	31,135
College support	1,864	56,658
Total nonoperating revenue (expense)	(13,347)	87,954
Change in net position	(183,087)	152,537
Net position at beginning of year	1,052,047	899,510
Net position at end of year	$ 868,960	1,052,047

See accompanying notes to financial statements.

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION
Statements of Cash Flows
Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	$ 9,637	137,397
Photocopy commissions	417	342
Cafeteria commissions	-	4,867
Vending commissions	-	17,014
Parking fees	6,416	-
Facility rental	27,643	-
Other	70,004	7,399
Cash payments to/for vendors	(307,151)	(165,017)
Net cash provided by (used in) operating activities	(193,034)	2,002
Cash flows from noncapital financing activities:		
Change in deposits held in custody for others	(7,731)	30,643
Decrease in security deposits	-	(20,417)
College support	1,864	56,658
Net cash provided by (used in) noncapital financing activities	(5,867)	66,884
Cash flows from investing activities - interest revenue	34	161
Net change in cash and equivalents	(198,867)	69,047
Cash and equivalents at beginning of year	1,130,291	1,061,244
Cash and equivalents at end of year	$ 931,424	1,130,291
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	(169,740)	64,583
Forgiveness of loan from Paycheck Protection Program	-	(32,500)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities - changes in:		
Accounts receivable	75,445	(633)
Prepaid expenses	100	(100)
Accounts payable and accrued expenses	(58,938)	(29,348)
Unearned revenue	(39,901)	-
Net cash provided by (used in) operating activities	$ (193,034)	2,002

See accompanying notes to financial statements.

(1) Nature of Organization

The Medgar Evers College Auxiliary Enterprises Corporation (the Auxiliary) is a nonprofit corporation organized to support certain student activities, facility operations, and auxiliary services for the benefit of the campus community of Medgar Evers College (the College) of the City University of New York (CUNY or the University).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

The Auxiliary is considered a special-purpose entity engaged only in business-type activities for financial reporting purposes. 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 under GAAP, as prescribed by GASB. For financial reporting purposes, the Auxiliary is also considered a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Auxiliary'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, attributed to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Auxiliary 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 Auxiliary or the passage of time.

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

At June 30, 2022, and 2021, the Auxiliary had no net investment in capital assets and no restricted net position.

(c) Cash and Equivalents

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

(2) Summary of Significant Accounting Policies, Continued

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when determined uncollectible based on periodic management reviews of the reports. 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 under the allowance method.

(e) Investments

CUNY holds the Auxiliary's long-term investments in an investment pool under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee). Several investment advisory firms are assisting the Committee in its investment pool portfolio management. This portfolio comprises cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds, and foreign bonds. Short-term investments comprise most of the Auxiliary's investment pool portfolio and certificates of deposit that are reported at their fair value. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(f) Fair Value Measurements and Disclosures

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Auxiliary can access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(2) Summary of Significant Accounting Policies, Continued

(f) Fair Value Measurements and Disclosures, Continued

The asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used on June 30, 2022. The investments held by the Auxiliary in the CUNY investment pool are classified as level 2 in the fair value hierarchy.

(g) Revenue Recognition

Operating revenues are recognized in the period earned. They are primarily derived from fees charged for the use of parking facilities, facilities rentals, and commissions from agreements with third-party vendors. Amounts collected before year-end, if any, relating to the subsequent year are recorded as unearned revenue. As defined by the contractual agreement, annual commissions are based upon the greater of a fixed amount or an amount based on a percentage of sales.

(h) Donated Space and Services

The Auxiliary operates on the campus of the College and utilizes office space and certain services made available. 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 space and services (note 9).

(i) 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.

(j) Use of Estimates

Preparing the financial statements under GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities in the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Subsequent Events

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

(l) Risks and Uncertainties

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

(2) Summary of Significant Accounting Policies, Continued

(m) Income Taxes

The Auxiliary 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 Auxiliary has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Auxiliary presently discloses or recognizes income tax positions based on management's estimate of whether a liability incurred for unrecognized income taxes is reasonably possible or probable. Management has concluded that the Auxiliary has taken no uncertain tax positions that require adjusting its financial statements. U.S. Forms 990 filed by the Auxiliary are subject to examination by taxing authorities.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Auxiliary's deposits may not be returned in the event of a bank failure. On June 30, 2022, of the $948,259 Auxiliary's bank balance, $448,259 was exposed to custodial credit risk as uninsured and uncollateralized. At June 30, 2021, of the $1,143,749 Auxiliary's bank balance, $643,749 was exposed to custodial credit risk as it was uninsured and uncollateralized.

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

The Auxiliary's investments in the investment pool comprise assets that 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, 2022 and 2021, are comprised of the following:

	2022	2021
Investments in CUNY Investment Pool, short-term	$ 214,845	222,105
Investments in CUNY Investment Pool, long-term	159,530	167,515
Total Investments	$ 374,375	389,620

The following table summarizes the activity for the investments during the years ended June 30, 2022 and 2021:

Balance at June 30, 2020	$ 358,485
Interest and dividends	4,927
Realized gain	3,042
Unrealized gain	23,166
Balance at June 30, 2021	389,620
Interest and dividends	4,340
Realized gain	4,471
Unrealized loss	(24,056)
Balance at June 30, 2022	$ 374,375

(4) Investments in CUNY Investment Pool and Related Investment Income (Loss), Continued

A summary of investment income (loss) for the years ended June 30, 2022 and 2021 is as follows:

	2022	2021
Interest and dividends	$ 4,340	4,927
Realized gain	4,471	3,042
Unrealized gain (loss)	(24,056)	23,166
Total investment income (loss)	$ (15,245)	31,135

(5) Deposits Held in Custody for Others

The Auxiliary has deposits held in custody for others in the sum of $428,437 and $436,168 at June 30, 2022 and 2021, respectively.

(6) Commissions

The bookstore commissions represent income earned under a CUNY-wide contract which expired on December 31, 2021. The Auxiliary has renewed the contract for another three years expiring on December 31, 2024. This contract was established between CUNY and an unrelated organization to provide virtual bookstore services to the College. The terms of the agreement give the Auxiliary annual commissions based on the sale volumes.

The vending services commissions represent income earned under a CUNY-wide contract that expired on April 30, 2021. No new services contract has been negotiated.

(7) Royalty Income

Pouring rights commissions represent income earned under a contract, which expires on June 30, 2023, between CUNY and an unrelated organization for the exclusive sale of that organization's brand of nonalcoholic beverages on the College's premises through the College's vending and food services vendors. The terms of the contract provide the Auxiliary with annual royalties based on the full-time equivalent method. For the years ended June 30, 2022 and 2021, the vendor suspended payments according to the disruption provision in the contract as the College was closed during the pandemic.

(8) Related Party Transactions

The College provided accounting services related to the bookkeeping of the Auxiliary's records for $15,000 during the years ended June 30, 2022 and 2021.

The Auxiliary recorded College support of $1,864 and $56,658 for the years ended June 30, 2022 and 2021, respectively.

(9) Donated Space and Services

The Auxiliary is allowed free use of certain facilities and professional services the College provides. For the years ended June 30, 2022 and 2021, the estimated fair value of the donated space and services used solely by the Auxiliary amounted to $213,490 and $210,864, respectively. Such amounts are included in revenue and expenses in the accompanying statements of revenue, expenses and changes in net position.

(10) 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. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

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