MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION

Financial Statements and
Supplementary Information

June 30, 2023 and 2022

(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 accompanying financial statements of Medgar Evers College Auxiliary Enterprises Corporation (the Auxiliary) as of and for the years ended June 30, 2023 and 2022, 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, 2023 and 2022. 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 as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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
September 29, 2023

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, 2023 and 2022, 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 $131,954 or 15%.
- Operating revenue increased by $118,355 or 41%.
- Operating expenses increased by $96,757 or 21%.

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, 2023 and 2022, under the accrual basis of accounting:

	2023	2022	Dollar change	Percent change
Current assets	$ 1,106,322	1,148,744	(42,422)	(4%)
Noncurrent assets	169,000	159,530	9,470	6%
Total assets	1,275,322	1,308,274	(32,952)	(3%)
Current liabilities	538,316	439,314	99,002	23%
Unrestricted net position	$ 737,006	868,960	(131,954)	(15%)

At June 30, 2023, the Auxiliary's total assets decreased by $32,952 or 3% compared to the previous year. This variance is attributed to a decrease in cash and equivalents and an increase in accounts receivable of $478,731 and $85,935, respectively. Cash and equivalents decreased primarily due to transferring funds to open a CD account, aiming to achieve a higher yield on capital and the timing of payments. The accounts receivable increase can be attributed to the advancement of funds by the Auxiliary to initiate the capital project, with full reimbursement expected from DASNY. As a result, the expenses related to this project have been recognized as outstanding receivable, which will be reimbursed once expenses are incurred.

At June 30, 2023, the Auxiliary's total liabilities increased by $99,002 or 23% compared to the previous year. Most of this variance is attributed to increased accounts payable and accrued expenses of $79,126. Accounts payable and accrued expenses increased primarily due to the timing of payments for various goods and services acquired. Deposit held in custody for others increased due to the upswing in activities on campus which led to a corresponding surge in the number of entities requiring the use of the facilities, resources, and services.

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%)

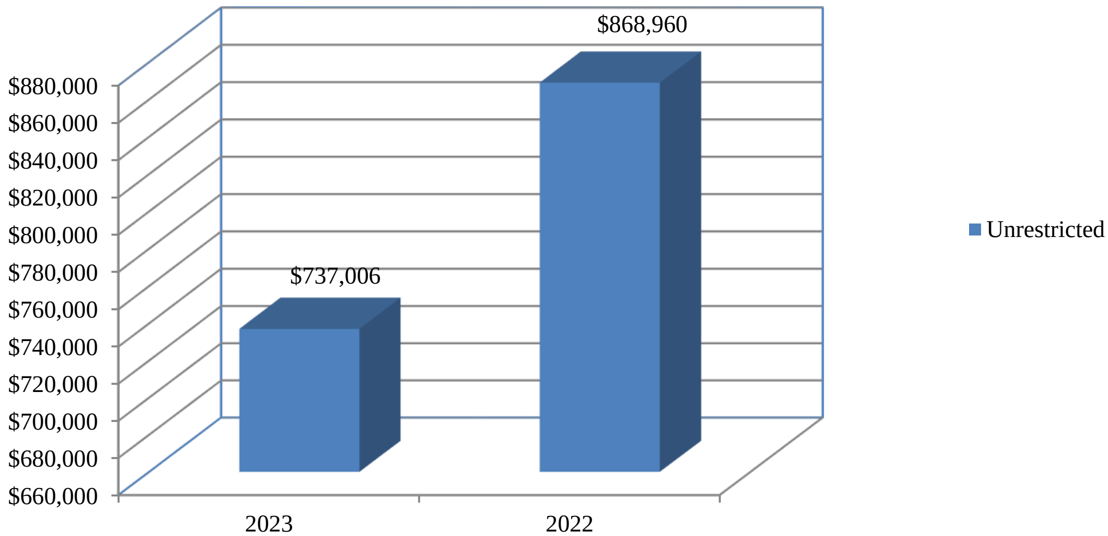
At June 30, 2022, the Auxiliary's total assets decreased by $289,657 or 18% compared to the previous year. This variance is attributed to a decrease in cash and equivalents and accounts receivable of $198,867 and $75,445, respectively. Cash and equivalents decreased primarily due to the timing of payments. 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.

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

Revenue

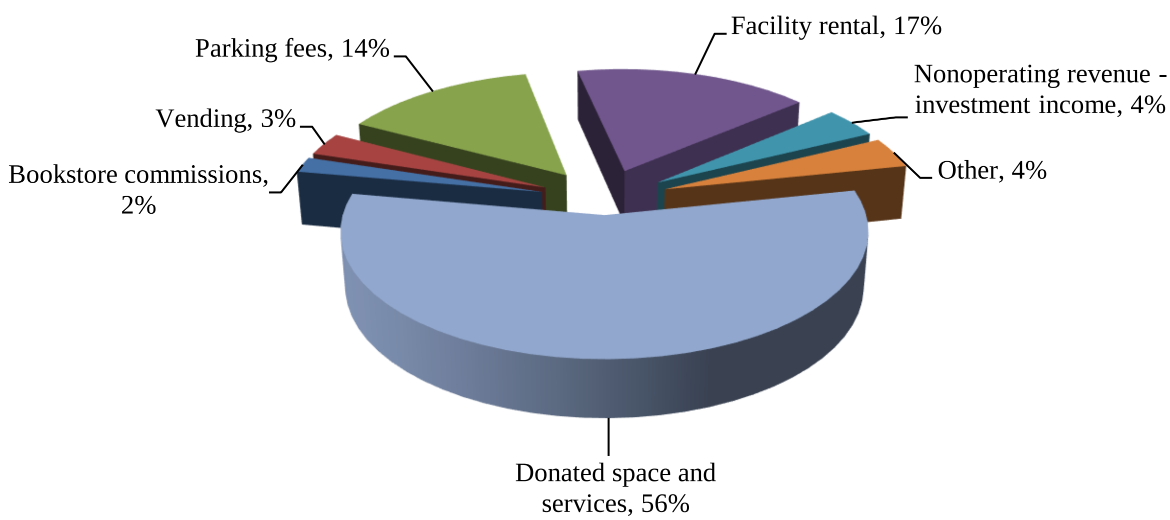
	2023	2022	Dollar change	Percent change
Operating revenue:				
Commissions:				
Bookstore	$ 7,656	9,637	(1,981)	(21%)
Photocopy	442	417	25	6%
Vending	11,704	-	11,704	100%
Parking fees	61,682	33,266	28,416	85%
Facility rental	74,151	19,114	55,037	288%
Other	16,895	16,139	756	5%
Donated space and services	237,888	213,490	24,398	11%
Total operating revenue	410,418	292,063	118,355	41%
Nonoperating revenue:				
Interest revenue	1,232	34	1,198	3,524%
Investment income	14,956	-	14,956	100%
College support	-	1,864	(1,864)	(100%)
Total nonoperating revenue	16,188	1,898	14,290	753%
Total revenue	$ 426,606	293,961	132,645	45%

The Auxiliary's total operating revenue for the year ended June 30, 2023, amounted to $410,418, an increase of $118,355 or 41%, compared to the previous year. The major components of this variance are related to substantial increases in facility rental, parking fees, donated space and services, and vending commissions of $55,037, $28,416, $24,398, and $11,704, respectively. The growth in facility rental can be attributed mainly to removing COVID restrictions, which allowed the College to open the campus for rental to external parties. The increased demand for venue rentals contributed to the rise in facility rental revenue. The upswing in parking fee revenue is primarily due to increased campus activities, which resulted in 75% of in-person foot traffic. As more individuals return to in-person activities on-campus, the demand for parking spaces increases, leading to higher parking fee collections. Donated space and services increase due to new staff with higher expertise and salary. This internalization of services allowed the Auxiliary to recognize the value of donated space and services at the fair market value, contributing to the overall revenue increase. The growth in vending commissions revenue is linked to increased campus activities, leading to more individuals utilizing on-campus vending machines and services. The removal of some COVID restrictions and the return to a more active on-campus environment have proven to be significant catalysts for revenue growth.

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, 2023.

Revenue by Source



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

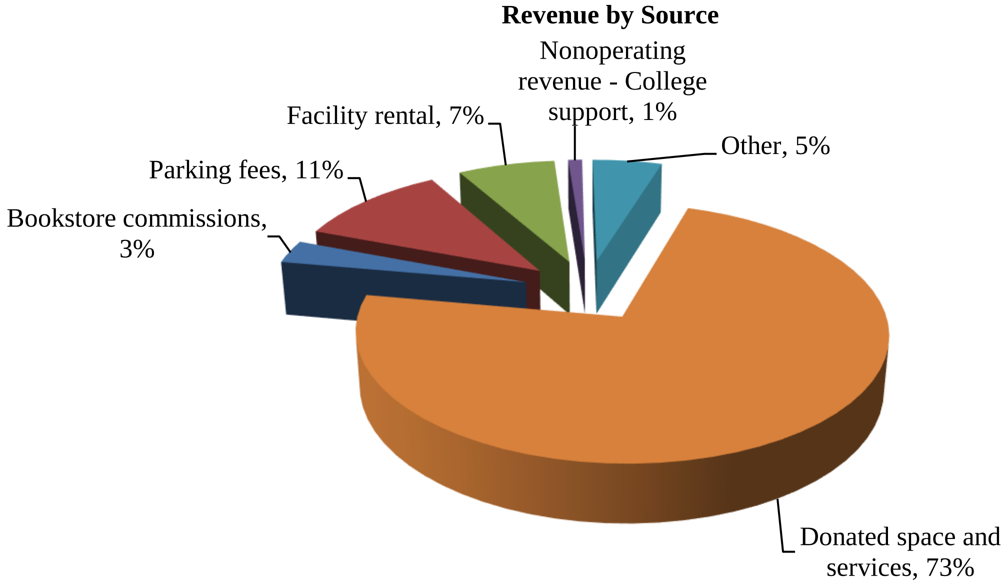
Revenue

	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 commissions, other income, and vending commissions of $127,760, $29,260, and $17,014, respectively. Bookstore commissions 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:



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

Expenses

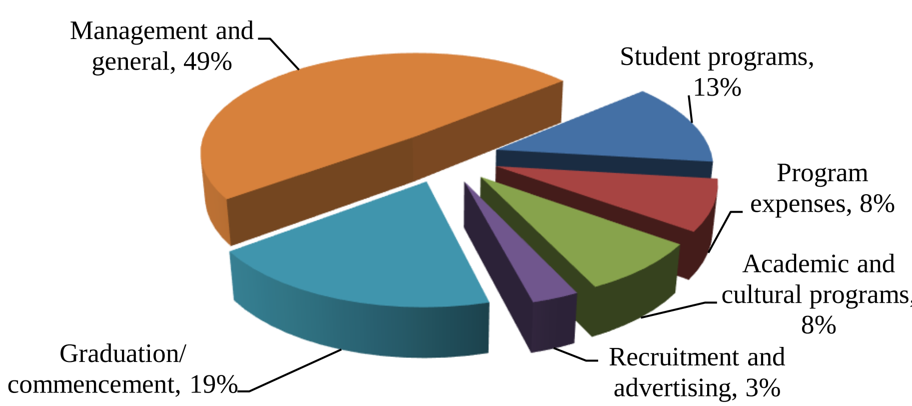
	2023	2022	Dollar change	Percent change
Operating expenses:				
Student programs	$ 73,226	6,579	66,647	1,013%
Graduation/commencement	104,992	165,560	(60,568)	(37%)
Program expenses	45,703	4,645	41,058	884%
Academic and cultural programs	46,128	23,712	22,416	95%
Recruitment and advertising	14,130	-	14,130	100%
Management and general	274,381	261,307	13,074	5%
Total operating expenses	558,560	461,803	96,757	21%
Nonoperating expense - investment loss	-	15,245	(15,245)	(100%)
Total expenses	$ 558,560	477,048	81,512	17%

Total operating expenses for the year ended June 30, 2023, amounted to $558,560, representing an increase of $96,757, or 21%, compared to the previous year. The major components of this variance are related to increases in student programs, program expenses, academic and cultural programs, recruitment and advertising, and management and general of $66,647, $41,058, $22,416, $14,130, and $13,074, respectively. The increase in student programs is primarily due to removing COVID restrictions, which allowed on-campus activities and events to resume. The increased on-campus engagement and higher foot traffic necessitated additional resources to enhance student programs and provide enriching experiences. The growth in program expenses reflects other resources dedicated to various academic programs to improve the curriculum and provide students with a comprehensive and diverse educational experience. The rise in expenses for academic and cultural programs demonstrates the commitment to fostering and delivering an inclusive learning environment that celebrates diversity and enriches the education of the students. The increase in recruitment and advertising expenses is an investment that is crucial in attracting top talent and expanding our outreach to potential students following the easing of COVID-related limitations. The rise in management and general expenses is due to the institution's expansion, necessitating resources to support administrative and operational functions. A significant offset to the overall expense increase was a decrease of $60,568 in graduation/commencement expenses. This reduction is primarily attributed to holding the commencement ceremony offsite, where the cost of all equipment, including rental charges, was included in the venue package. This arrangement reduced overall costs for commencement.

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, 2023:

Expenses by Category



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

Expenses

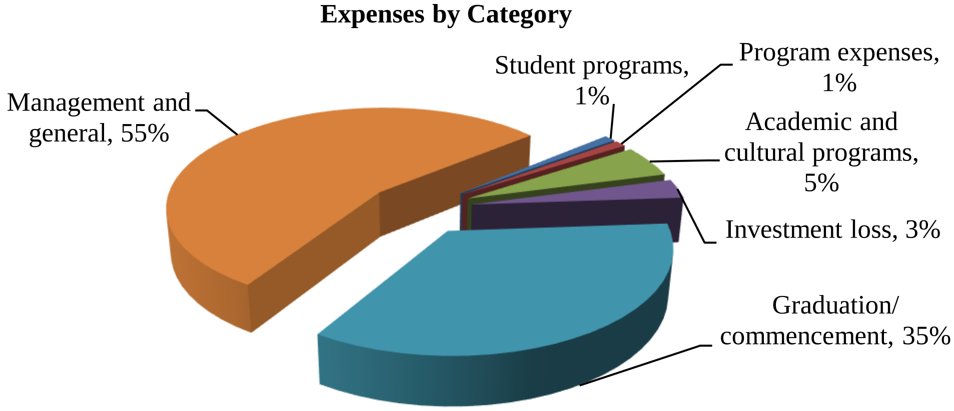
	2022	2021	Dollar change	Percent change
Operating expenses:				
Student programs	$ 6,579	6,716	(137)	(2%)
Graduation/commencement	165,560	40,280	125,280	311%
Program expenses	4,645	19,472	(14,827)	(76%)
Academic and cultural programs	23,712	7,900	15,812	200%
Café	-	847	(847)	(100%)
Management and general	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.

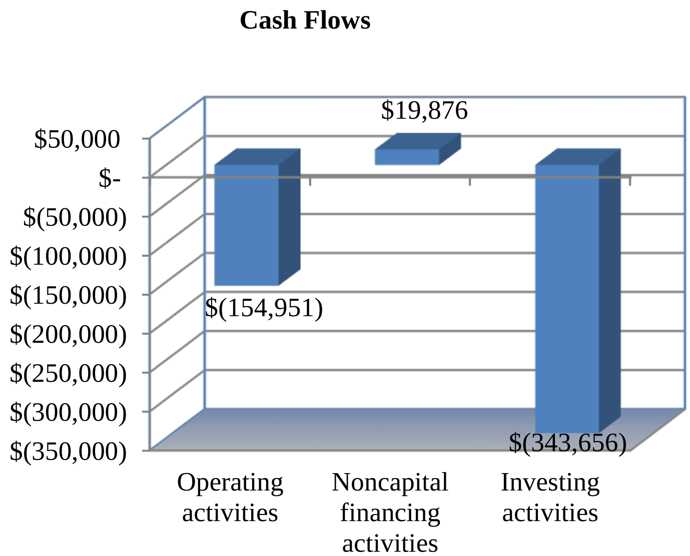
The following illustrates the Auxiliary's expenses, by category, for the year ended June 30, 2022:

Expenses by Category



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, 2023:



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.

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION

Statements of Net Position

June 30, 2023 and 2022

Assets		2023	2022
Current assets:			
Cash and equivalents	$	452,693	931,424
Certificate of deposit		344,888	-
Accounts receivable		88,410	2,475
Investments in CUNY investment pool, short-term		220,331	214,845
Total current assets		1,106,322	1,148,744
Noncurrent assets - investments in CUNY investment pool, long-term		169,000	159,530
Total assets		1,275,322	1,308,274
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses		90,003	10,877
Deposits held in custody for others		448,313	428,437
Total liabilities		538,316	439,314
Net Position			
Unrestricted	$	737,006	868,960

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, 2023 and 2022

	2023	2022
Operating revenue:		
Commissions:		
Bookstore	$ 7,656	9,637
Photocopy	442	417
Vending	11,704	-
Parking fees	61,682	33,266
Facility rental	74,151	19,114
Other	16,895	16,139
Donated space and services	237,888	213,490
Total operating revenue	410,418	292,063
Operating expenses:		
Student programs	73,226	6,579
Graduation/commencement	104,992	165,560
Program expenses	45,703	4,645
Academic and cultural programs	46,128	23,712
Recruitment and advertising	14,130	-
Management and general	274,381	261,307
Total operating expenses	558,560	461,803
Loss from operations	(148,142)	(169,740)
Nonoperating revenue (expense):		
Interest revenue	1,232	34
Investment income (loss)	14,956	(15,245)
College support	-	1,864
Total nonoperating revenue (expense)	16,188	(13,347)
Change in net position	(131,954)	(183,087)
Net position at beginning of year	868,960	1,052,047
Net position at end of year	$ 737,006	868,960

See accompanying notes to financial statements.

MEDGAR EVERS COLLEGE AUXILIARY ENTERPRISES CORPORATION
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	$ 7,656	9,637
Photocopy commissions	442	417
Vending commissions	11,704	-
Parking fees	61,682	6,416
Facility rental	946	27,643
Other	4,165	70,004
Cash payments to/for vendors	(241,546)	(307,151)
Net cash used in operating activities	(154,951)	(193,034)
Cash flows from noncapital financing activities:		
Change in deposits held in custody for others	19,876	(7,731)
College support	-	1,864
Net cash provided by (used in) noncapital financing activities	19,876	(5,867)
Cash flows from investing activities:		
Purchase of certificate of deposit	(344,888)	-
Interest revenue	1,232	34
Net cash provided by (used in) investing activities	(343,656)	34
Net change in cash and equivalents	(478,731)	(198,867)
Cash and equivalents at beginning of year	931,424	1,130,291
Cash and equivalents at end of year	$ 452,693	931,424
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	(148,142)	(169,740)
Adjustments to reconcile loss from operations to net cash used in operating activities - changes in:		
Accounts receivable	(85,935)	75,445
Prepaid expenses	-	100
Accounts payable and accrued expenses	79,126	(58,938)
Unearned revenue	-	(39,901)
Net cash used in operating activities	$ (154,951)	(193,034)

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, 2023 and 2022, 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, 2023. The investments held by the Auxiliary in the CUNY investment pool are classified as level 2 in the fair value hierarchy. The certificate of deposit is classified as level 1.

(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 8).

(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.

(2) Summary of Significant Accounting Policies, Continued

(l) 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, 2023, of the $800,358 Auxiliary's bank balance, $300,358 was exposed to custodial credit risk as uninsured and uncollateralized. At June 30, 2022, of the $948,259 Auxiliary's bank balance, $448,259 was exposed to custodial credit risk as 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, 2023 and 2022, are comprised of the following:

	2023	2022
Investments in CUNY Investment Pool, short-term	$ 220,331	214,845
Investments in CUNY Investment Pool, long-term	169,000	159,530
Total investments	$ 389,331	374,375

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

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
Interest and dividends	7,526
Realized gain	1,154
Unrealized gain	6,276
Balance at June 30, 2023	$ 389,331

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

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

	2023	2022
Interest and dividends	$ 7,526	4,340
Realized gain	1,154	4,471
Unrealized gain (loss)	6,276	(24,056)
Total investment income (loss)	$ 14,956	(15,245)

(5) Deposits Held in Custody for Others

The Auxiliary has deposits held in custody for others in the sum of $448,313 and $428,437 at June 30, 2023 and 2022, respectively.

(6) Commissions

The bookstore commissions represent income earned under a CUNY-wide contract which expires 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.

(7) 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, 2023 and 2022.

The Auxiliary recorded college support of $1,864 for the year ended June 30, 2022.

(8) 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, 2023 and 2022, the estimated fair value of the donated space and services used solely by the Auxiliary amounted to $237,888 and $213,490, respectively. Such amounts are included in revenue and expenses in the accompanying statements of revenue, expenses and changes in net position.

(9) Accounting Standards Issued But Not Yet Implemented

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

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

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