

YORK COLLEGE ASSOCIATION, INC.
Financial Statements and
Supplementary Information
June 30, 2023 and 2022
(With Independent Auditors' Report Thereon)

YORK COLLEGE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
York College Association, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of York College Association, Inc. (the Association), as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Association'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 York College Association, Inc. as of June 30, 2023 and 2022 and the changes in its net position 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 the Association 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 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 the Association'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 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 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 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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 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. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain 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 28, 2023

YORK COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2023 and 2022

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of York College Association, Inc.'s (the Association) financial position as of June 30, 2023 and 2022 and changes in its net position for the years then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position increased by \$93,352 or 5%.
- Operating revenue decreased by \$12,509 or 1%.
- Operating expenses increased by \$438,460 or 52%.

Financial Position

The Association's net position, the difference between assets and liabilities, is one way to measure the Association's financial health. Over time, increases and decreases in the Association's net position is one indicator of whether its financial health is improving.

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2023 and 2022, under the accrual basis of accounting:

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,572,510	1,209,572	362,938	30%
Noncurrent assets	<u>949,535</u>	<u>905,836</u>	<u>43,699</u>	5%
Total assets	<u>2,522,045</u>	<u>2,115,408</u>	<u>406,637</u>	19%
Liabilities	<u>563,528</u>	<u>250,243</u>	<u>313,285</u>	125%
Net position:				
Net investment in capital assets	9,005	18,009	(9,004)	(50%)
Unrestricted	<u>1,949,512</u>	<u>1,847,156</u>	<u>102,356</u>	6%
Total net position	<u>\$ 1,958,517</u>	<u>1,865,165</u>	<u>93,352</u>	5%

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

At June 30, 2023, the Association's total assets increased by \$406,637 or 19%, compared to the previous year. The majority of this variance was attributable to an increase in cash and equivalents of \$348,668 or 35% primarily due to the receipt of CUNY support. This was offset by expenses relating to student events, clubs and athletics.

At June 30, 2023, the Association's liabilities increased by \$313,285 or 125%, compared to the previous year. This variance was related to an increase in accounts payable and accrued expenses of \$124,475 or 53% primarily due to a timing difference in the payments of salary refunds to New York State and vendor invoices.

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

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,209,572	964,331	245,241	25%
Noncurrent assets	<u>905,836</u>	<u>959,282</u>	<u>(53,446)</u>	(6%)
Total assets	<u>2,115,408</u>	<u>1,923,613</u>	<u>191,795</u>	10%
Liabilities	<u>250,243</u>	<u>163,498</u>	<u>86,745</u>	53%
Net position:				
Net investment in capital assets	18,009	27,015	(9,006)	(33%)
Unrestricted	<u>1,847,156</u>	<u>1,733,100</u>	<u>114,056</u>	7%
Total net position	<u>\$ 1,865,165</u>	<u>1,760,115</u>	<u>105,050</u>	6%

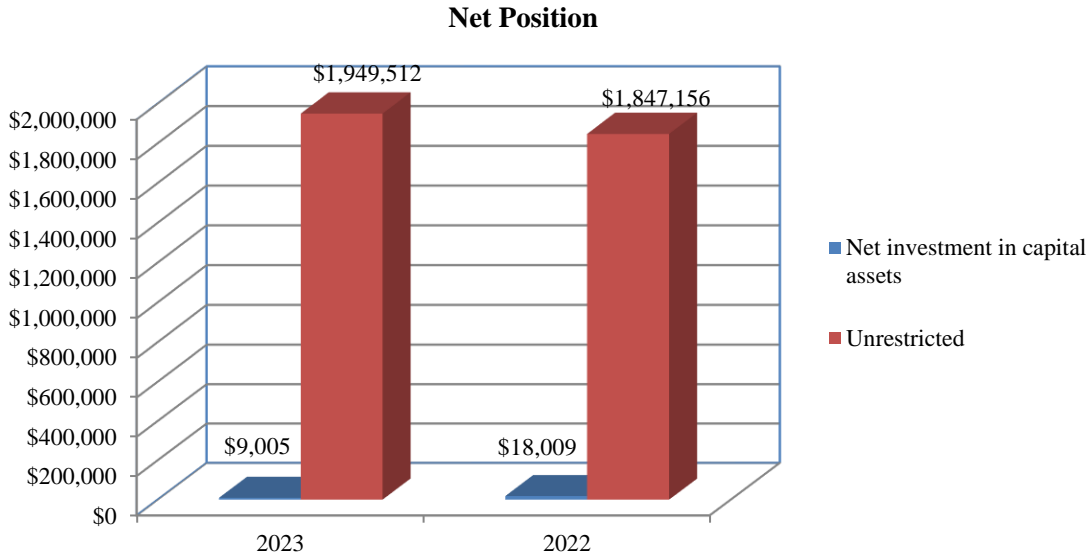
At June 30, 2022, the Association's total assets increased by \$191,795 or 10%, compared to the previous year. The majority of this variance was attributable to an increase in cash and equivalents of \$286,796 or 40% primarily due to the receipt of student activity fees. This is normally offset by expenses relating to student events, clubs and athletics. Although several COVID-19 restrictions were lifted, several classes remained in remote status, and as a result, student presence was limited which effected their extra-curricular activities.

At June 30, 2022, the Association's liabilities increased by \$86,745 or 53%, compared to the previous year. This variance was related to an increase in accounts payable and accrued expenses of \$86,858 or 58% primarily due to a timing difference in the payments of administrative fees and vendor invoices.

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

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

The following illustrates the Association's net position at June 30, 2023 and 2022 by category:



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 Association, as well as nonoperating revenue and expenses, if any. The major components of revenue for the years ended June 30, 2023 and 2022 are as follows:

Revenue

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 659,667	725,807	(66,140)	(9%)
Donated space and services	328,839	274,814	54,025	20%
Other	<u>755</u>	<u>1,149</u>	<u>(394)</u>	(34%)
Total operating revenue	<u>989,261</u>	<u>1,001,770</u>	<u>(12,509)</u>	(1%)
Nonoperating revenue:				
Interest income	211	10,482	(10,271)	(98%)
Net appreciation (depreciation) of investments	55,477	(57,216)	112,693	197%
Other nonoperating revenue	39,580	-	39,580	100%
CUNY support	<u>297,269</u>	<u>-</u>	<u>297,269</u>	100%
Total nonoperating revenue	<u>392,537</u>	<u>(46,734)</u>	<u>439,271</u>	940%
Total revenue	\$ <u>1,381,798</u>	<u>955,036</u>	<u>426,762</u>	45%

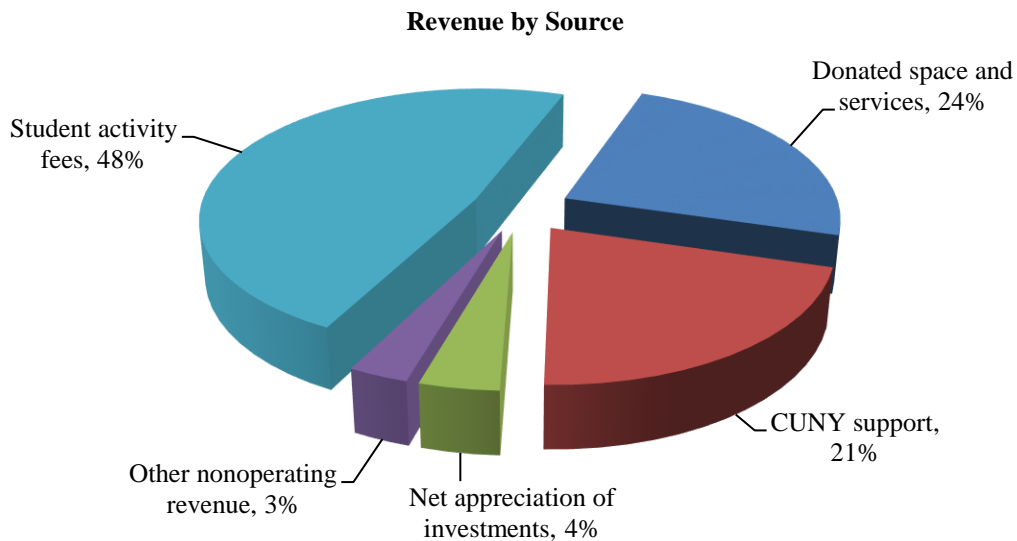
YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

The Association's total revenue for the year ended June 30, 2023 amounted to \$1,381,798, an increase of \$426,762 or 45%, compared to the previous year. The major components of this variance relate to an increase of appreciation of investments and CUNY support of \$112,693 and \$297,269, respectively. Investments appreciated due to improving financial markets and CUNY support was due to federal funding from the CARES Act.

Student activity fees represented approximately 48% of total revenue and, accordingly, the Association is dependent upon this level of support to carry out its operations.

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

The following illustrates the Association's revenue, by source, for the year ended June 30, 2023:



YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

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

Revenue

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 725,807	848,628	(122,821)	(14%)
Donated space and services	274,814	253,287	21,527	8%
Other	<u>1,149</u>	<u>160</u>	<u>989</u>	618%
Total operating revenue	<u>1,001,770</u>	<u>1,102,075</u>	<u>(100,305)</u>	(9%)
Nonoperating revenue:				
Interest income	10,482	9,563	919	10%
Net appreciation (depreciation) of investments	(57,216)	138,057	(195,273)	(141%)
CUNY support	<u>-</u>	<u>110,896</u>	<u>(110,896)</u>	(100%)
Total nonoperating revenue	<u>(46,734)</u>	<u>258,516</u>	<u>(305,250)</u>	(118%)
Total revenue	\$ <u>955,036</u>	<u>1,360,591</u>	<u>(405,555)</u>	(30%)

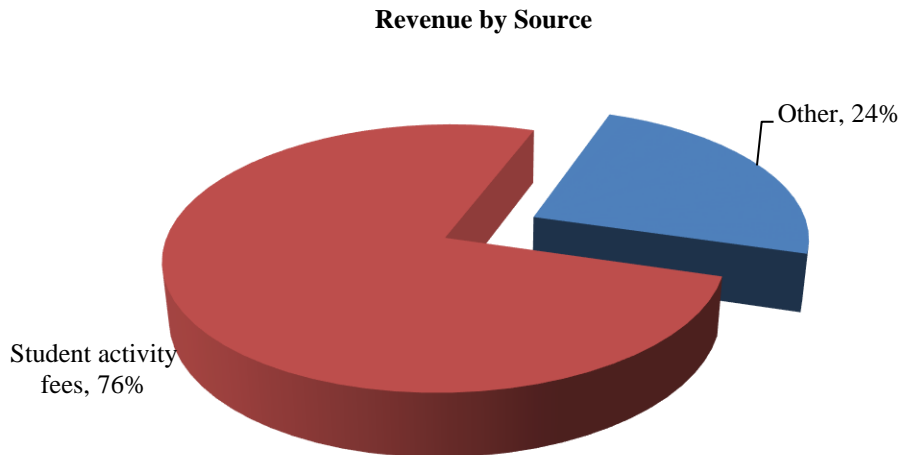
The Association's total revenue for the year ended June 30, 2022 amounted to \$955,036, a decrease of \$405,555 or 30%, compared to the previous year. The major components of this variance relate to a decrease of student activity fees of \$122,821 due to a reduction of enrollment, and also there was a decrease in net investments of \$195,273 or 141% due to a decline in the financial markets.

Student activity fees represented approximately 76% of total revenue and, accordingly, the Association is dependent upon this level of support to carry out its operations.

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

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

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



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

Expenses

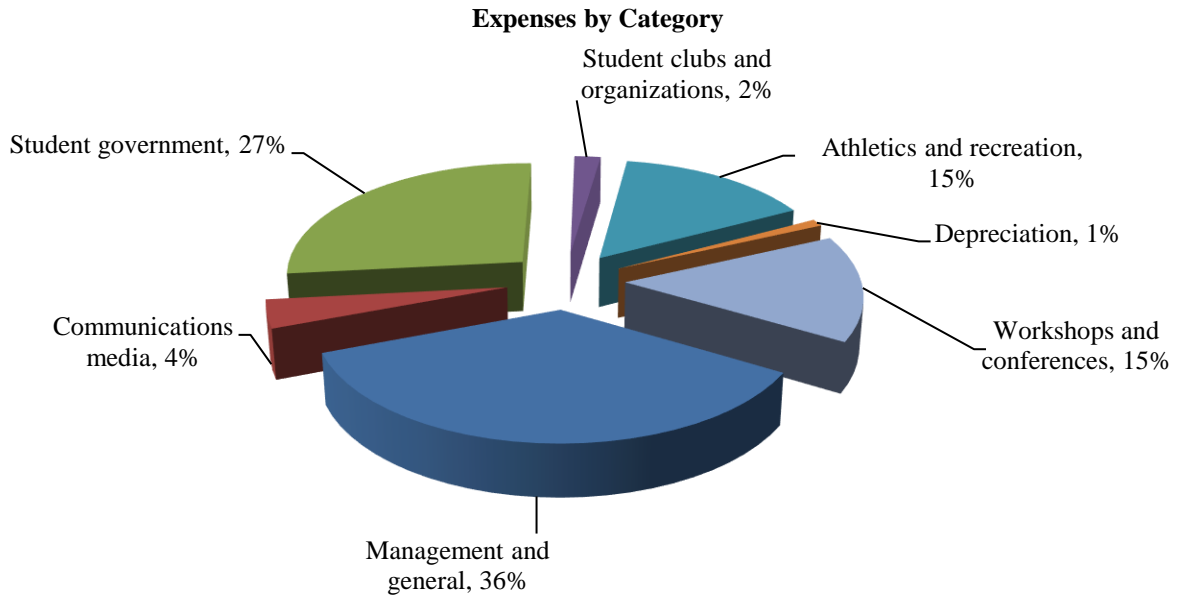
	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 348,041	178,786	169,255	95%
Communications media	50,819	44,205	6,614	15%
Workshops and conferences	198,113	14,345	183,768	1,281%
Graduation/commencement	-	37,700	(37,700)	(100%)
Student clubs and organizations	27,715	8,504	19,211	226%
Athletics and recreation	189,301	109,296	80,005	73%
Management and general	465,222	426,649	38,573	9%
Depreciation	9,004	9,006	(2)	(1%)
Bad debts	<u>231</u>	<u>21,495</u>	<u>(21,264)</u>	<u>(99%)</u>
Total expenses	\$ <u>1,288,446</u>	<u>849,986</u>	<u>438,460</u>	52%

YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Total expenses for the year ended June 30, 2023 were \$1,288,446, an increase of \$438,460 or 52%, compared to the previous year. The major components of this variance were related to increases in student government, workshops and conferences, and athletics and recreation and of \$169,255, \$183,768 and \$80,005, respectively. Student government, workshops and conferences, and athletics and recreation increased largely due to a surge in activities since more COVID-19 restrictions were lifted compared to the previous year.

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

The following illustrates the Association's expenses, by category, for the year ended June 30, 2023:



YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

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

Expenses

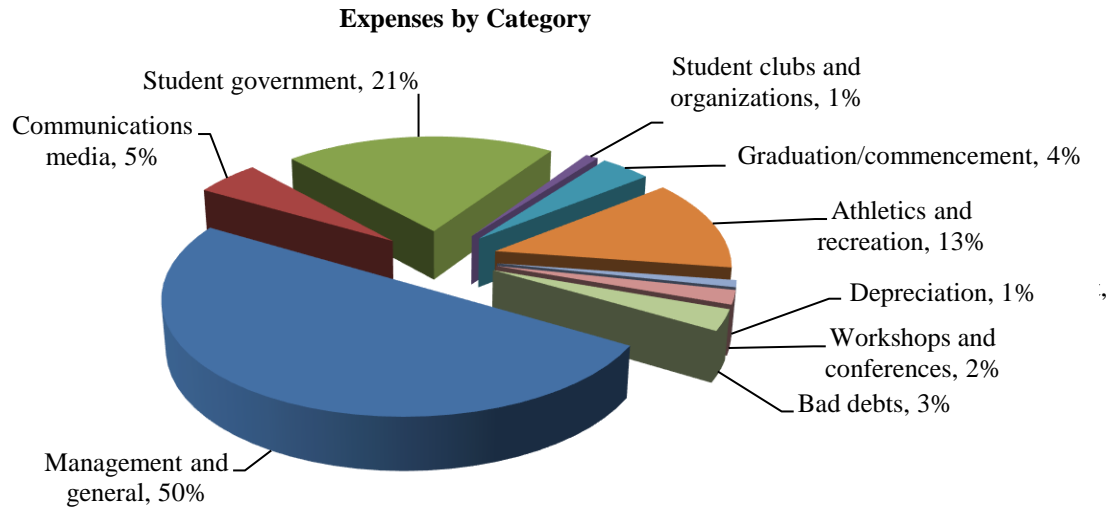
	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 178,786	21,835	156,951	719%
Communications media	44,205	48,116	(3,911)	(8%)
Workshops and conferences	14,345	-	14,345	100%
Graduation/commencement	37,700	36,000	1,700	5%
Student clubs and organizations	8,504	8,656	(152)	(2%)
Athletics and recreation	109,296	16,437	92,859	565%
Management and general	426,649	402,540	24,109	6%
Depreciation	9,006	9,006	-	-
Bad debts	<u>21,495</u>	<u>-</u>	<u>21,495</u>	100%
Total expenses	\$ <u>849,986</u>	<u>542,590</u>	<u>307,396</u>	57%

Total expenses for the year ended June 30, 2022 were \$849,986, an increase of \$307,396 or 57%, compared to the previous year. The major components of this variance were related to increases in student government and athletics and recreation and of \$156,951 and \$92,859, respectively. Student government and athletics and recreation increased due to a surge in activities since COVID-19 restrictions were partially lifted in the year.

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

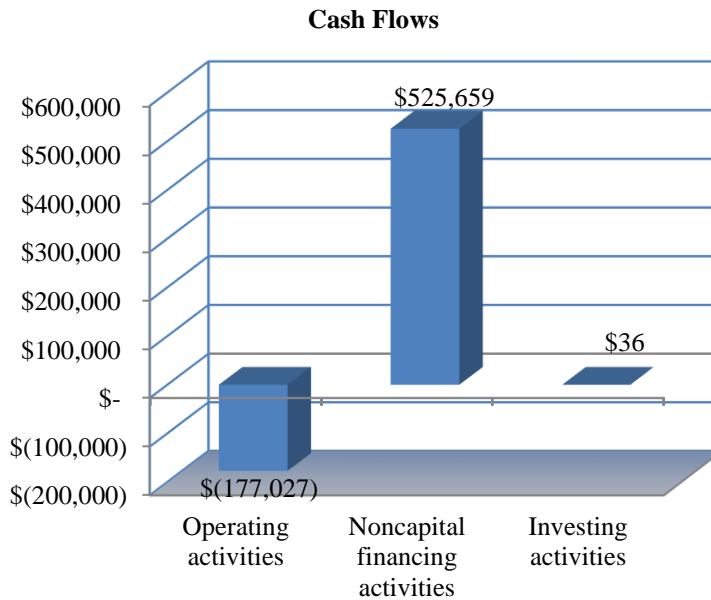
YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

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



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Association's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2023:



YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred.

YORK COLLEGE ASSOCIATION, INC.
Statements of Net Position
June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and equivalents	\$ 1,358,018	1,009,350
Accounts receivables:		
Student activity fees	129,541	118,086
Other receivable	500	731
Total accounts receivables	130,041	118,817
Prepaid expenses	5,605	5,508
Investments, short-term	78,846	75,897
Total current assets	1,572,510	1,209,572
Noncurrent assets:		
Investments, long-term (note 3)	940,530	887,827
Capital assets, net (note 4)	9,005	18,009
Total noncurrent assets	949,535	905,836
Total assets	2,522,045	2,115,408
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	360,320	235,845
Due to York College entities (note 6)	200,836	12,026
Deposits held in custody for others (note 7)	2,372	2,372
Total liabilities	563,528	250,243
<u>Net Position</u>		
Net investment in capital assets	9,005	18,009
Unrestricted	1,949,512	1,847,156
Total net position	\$ 1,958,517	1,865,165

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Student activity fees	\$ 659,667	725,807
Donated space and services (note 5)	328,839	274,814
Other	<u>755</u>	<u>1,149</u>
Total operating revenue	<u>989,261</u>	<u>1,001,770</u>
Operating expenses:		
Student government	348,041	178,786
Communications media	50,819	44,205
Workshops and conferences	198,113	14,345
Graduation/commencement	-	37,700
Student clubs and organizations	27,715	8,504
Athletics and recreation	189,301	109,296
Management and general	465,222	426,649
Depreciation (note 4)	9,004	9,006
Bad debts	<u>231</u>	<u>21,495</u>
Total operating expenses	<u>1,288,446</u>	<u>849,986</u>
Income (loss) from operations	<u>(299,185)</u>	<u>151,784</u>
Nonoperating revenue (expenses):		
Interest income	211	10,482
Net appreciation (depreciation) of investments	55,477	(57,216)
Other nonoperating revenue	39,580	-
CUNY support	<u>297,269</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>392,537</u>	<u>(46,734)</u>
Change in net position	93,352	105,050
Net position at beginning of year	<u>1,865,165</u>	<u>1,760,115</u>
Net position at end of year	<u>\$ 1,958,517</u>	<u>1,865,165</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 648,212	708,294
Other	986	999
Cash payments to/for:		
Employees' salaries and benefits	(105,898)	(108,276)
Services	(514,698)	(198,977)
Vendors	<u>(205,629)</u>	<u>(115,168)</u>
Net cash provided by (used in) operating activities	<u>(177,027)</u>	<u>286,872</u>
Cash flows from noncapital financing activities:		
Increase (decrease) in due to York College entities	188,810	(113)
Other nonoperating revenue	39,580	-
CUNY support	<u>297,269</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>525,659</u>	<u>(113)</u>
Cash flows from investing activities - interest and dividends	<u>36</u>	<u>37</u>
Net change in cash and equivalents	348,668	286,796
Cash and equivalents at beginning of year	<u>1,009,350</u>	<u>722,554</u>
Cash and equivalents at end of year	<u>\$ 1,358,018</u>	<u>1,009,350</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	(299,185)	151,784
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	9,004	9,006
Bad debts expense	231	21,495
Changes in:		
Accounts receivable	(11,455)	(17,660)
Prepaid expenses	(97)	35,389
Accounts payable and accrued expenses	<u>124,475</u>	<u>86,858</u>
Net cash provided by (used in) operating activities	<u>\$ (177,027)</u>	<u>286,872</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(1) Nature of Organization

The York College Association, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of York College (the College) of the City University of New York (CUNY or the University). The Association was incorporated on February 24, 1984.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. 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 in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association'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, attributable to the acquisition, construction, or improvement of those assets.

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

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

At June 30, 2023 and 2022, the Association had 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.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. 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 that would have been obtained under the allowance method.

(e) Investments

The Association has investments held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee) amounting to \$990,032 and \$934,555 at June 30, 2023 and 2022, respectively. Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. The Association also has investments in money market accounts which are reported at their fair values of \$29,344 and \$29,169 at June 30, 2023 and 2022, respectively. 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

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Association will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2023 the Association's entire investment portfolio balance of \$990,032 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

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 Association has the ability to access.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Fair Value Measurements and Disclosures, Continued

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 assets 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.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is 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 at June 30, 2023 and 2022.

At June 30, 2023 and 2022, the Association's money market accounts of \$29,344 and \$29,169, respectively, are Level 1 assets and the investments held by the Association in the CUNY investment pool of \$990,032 and \$934,555, respectively, are Level 2 assets.

(g) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$5,000 or more for computer hardware and for all other furniture and equipment. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years.

(h) Revenue Recognition

Operating revenue is recognized in the period earned and is primarily derived from student activity fees levied by a resolution of the Board of Directors of the University and collected by the College on the Association's behalf.

(i) Donated Space and Services

The Association operates on the campus of the College and utilizes office space and equipment, as well as personal services of certain college employees. 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 5).

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) 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.

(k) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(l) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(m) Income Taxes

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

(3) Investments in CUNY Investment Pool and Related Investment Income

The Association's investments in the investment pool comprise assets which 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:

	<u>2023</u>	<u>2022</u>
Investments in CUNY investment pool, short-term	\$ 49,502	46,728
Investments in CUNY investment pool, long-term	<u>940,530</u>	<u>887,827</u>
Total investments	\$ <u>990,032</u>	<u>934,555</u>

YORK COLLEGE ASSOCIATION, INC.
Notes to Financial Statements, Continued

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

The following table summarizes the activity for financial instruments in 2023 and 2022:

Balance at June 30, 2021	\$ 981,334
Interest and dividends	10,437
Realized gain	26,394
Unrealized loss	<u>(83,610)</u>
Balance at June 30, 2022	934,555
Interest and dividends	13,684
Realized gain	14,907
Unrealized gain	<u>26,886</u>
Balance at June 30, 2023	\$ <u>990,032</u>

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 13,684	10,437
Realized gains	14,907	26,394
Unrealized gain (loss)	<u>26,886</u>	<u>(83,610)</u>
Total investment income (loss)	\$ <u>55,477</u>	<u>(46,779)</u>

(4) Capital Assets

At June 30, 2023 and 2022, capital assets consisted of the following:

	2023			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 200,394	-	(2,336)	198,058
Less accumulated depreciation	<u>(182,385)</u>	<u>(9,004)</u>	<u>2,336</u>	<u>(189,053)</u>
Capital assets, net	\$ <u>18,009</u>	<u>(9,004)</u>	<u>-</u>	<u>9,005</u>
	2022			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 203,534	-	(3,140)	200,394
Less accumulated depreciation	<u>(176,519)</u>	<u>(9,006)</u>	<u>3,140</u>	<u>(182,385)</u>
Capital assets, net	\$ <u>27,015</u>	<u>(9,006)</u>	<u>-</u>	<u>18,009</u>

YORK COLLEGE ASSOCIATION, INC.
Notes to Financial Statements, Continued

(5) Donated Space and Services

The Association utilizes certain professional services and facilities provided by the College. The estimated fair values of professional services and facilities are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities for the years ended June 30, 2023 and 2022 amounted to the following:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 325,243	270,986
Facilities	<u>3,596</u>	<u>3,828</u>
Total	\$ <u>328,839</u>	<u>274,814</u>

(6) Related Party Transactions

At June 30, 2023 and 2022, the Association owed \$200,836 and \$12,026, respectively, to other York College entities. The Association is occasionally required to transfer funds to/from other York College-related entities during the course of the year for payroll reimbursement and other costs, if any.

The Association has invested \$990,032 and \$934,555 as of June 30, 2023 and 2022 respectively, in the CUNY investment pool (note 3) which is under the control of the Committee, a related party.

(7) Deposits Held in Custody for Others

At June 30, 2023 and 2022, the Association held \$2,372, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other York College Departments.

(8) 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.