

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

Financial Statements and
Supplementary Information

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Queensborough Community College
Student Activity Association:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Queensborough Community College Student Activity Association (the Association) as of and for the years ended June 30, 2022 and 2021, 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 Queensborough Community College Student Activity Association as of June 30, 2022 and 2021 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
January 4, 2023

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

Management's Discussion and Analysis

June 30, 2022 and 2021

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of the Queensborough Community College Student Activity Association's (the Association) financial position as of June 30, 2022 and 2021, and changes in its net assets 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 assets decreased by \$361,899 or 27%.
- Operating revenue decreased by \$199,294 or 15%.
- Operating expenses increased by \$563,607 or 63%.

Financial Position

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

Statements of Net Position

The following summarizes the Association's assets, liabilities and net assets 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	\$ 1,371,565	1,735,083	(363,518)	(21%)
Noncurrent assets - capital assets	<u>135,268</u>	<u>106,501</u>	<u>28,767</u>	27%
Total assets	<u>1,506,833</u>	<u>1,841,584</u>	<u>(334,751)</u>	(18%)
Liabilities	<u>513,654</u>	<u>486,506</u>	<u>27,148</u>	6%
Net assets:				
Net investment in capital assets	135,268	106,501	28,767	27%
Unrestricted	<u>857,911</u>	<u>1,248,577</u>	<u>(390,666)</u>	(31%)
Total net assets	\$ <u>993,179</u>	<u>1,355,078</u>	<u>(361,899)</u>	(27%)

QUEENSBOROUGH COMMUNITY COLLEGE
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Management's Discussion and Analysis, Continued

At June 30, 2022, the Association's total assets decreased by \$334,751 or 18%, compared to the previous year. This variance is primarily due to a decrease in accounts receivable of \$221,579, cash and equivalents of \$71,710 and prepaid expenses and other assets by \$70,229.

At June 30, 2022, the Association's total current liabilities increased by \$27,148 or 6%, compared to the previous year. This variance was mainly due to an increase in accruals for fiscal year 2022 expenses that will be paid in fiscal year 2023.

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

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,735,083	966,830	768,253	79%
Noncurrent assets - capital assets	<u>106,501</u>	<u>115,158</u>	<u>(8,657)</u>	(8%)
Total assets	<u>1,841,584</u>	<u>1,081,988</u>	<u>759,596</u>	70%
Liabilities	<u>486,506</u>	<u>335,168</u>	<u>151,338</u>	45%
Net assets:				
Net investment in capital assets	106,501	115,158	(8,657)	(8%)
Unrestricted	<u>1,248,577</u>	<u>631,662</u>	<u>616,915</u>	98%
Total net assets	\$ <u>1,355,078</u>	<u>746,820</u>	<u>608,258</u>	81%

At June 30, 2021, the Association's total assets increased by \$759,596 or 70%, compared to the previous year. This variance is primarily due to increased cash and equivalents of \$286,876. Receivables from related parties increased by \$433,265 and prepaid expenses and other assets also increased by \$48,112. This was partially offset by a decrease in capital assets of \$8,657 due to depreciation.

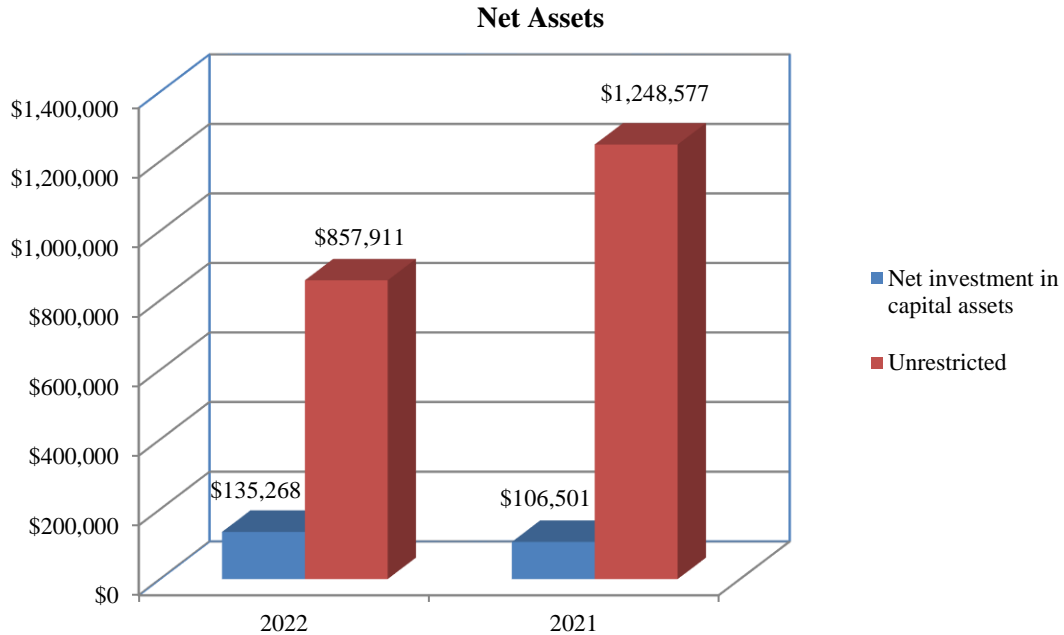
At June 30, 2021, the Association's total current liabilities increased by \$151,338 or 45%, compared to the previous year. This variance was mainly due to an increase in unearned revenue as reported from Central Office.

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

QUEENSBOROUGH COMMUNITY COLLEGE
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Management's Discussion and Analysis, Continued

The following illustrates the Association's net assets at June 30, 2022 and 2021 by category:



Statements of Revenue, Expenses and Changes in Net Assets

The statements of revenue, expenses and changes in net assets present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses 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	\$ 838,469	1,062,316	(223,847)	(21%)
Donated space and services	328,697	304,077	24,620	8%
Commencement related and other	<u>152</u>	<u>219</u>	<u>(67)</u>	(31%)
Total operating revenue	1,167,318	1,366,612	(199,294)	(15%)
Nonoperating revenue - CUNY support	<u>-</u>	<u>141,630</u>	<u>(141,630)</u>	(100%)
Total revenue	\$ <u>1,167,318</u>	<u>1,508,242</u>	<u>(340,924)</u>	(23%)

QUEENSBOROUGH COMMUNITY COLLEGE
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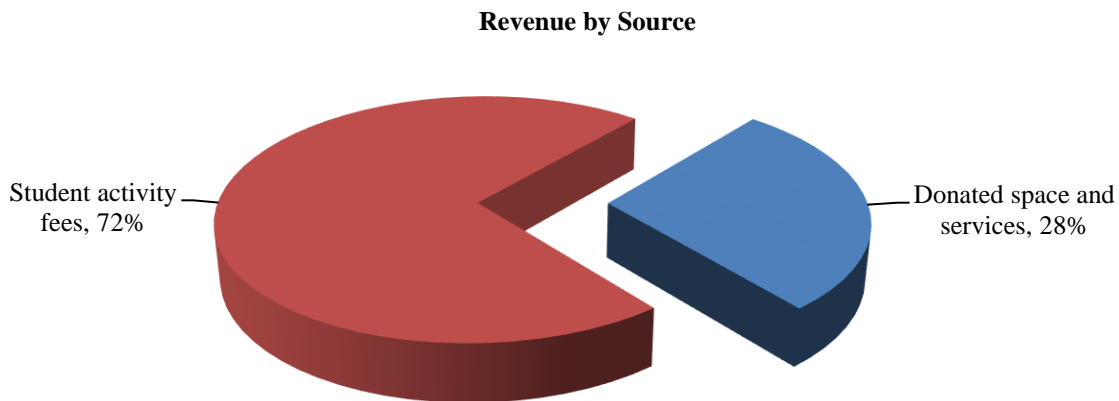
Management's Discussion and Analysis, Continued

The Association's total revenue for the year ended June 30, 2022 was \$1,167,318, a decrease of \$340,924, or 23%, compared to the previous year primarily due to a decrease of \$141,630 in nonoperating revenue due to a reverse of the due from related parties accrual in fiscal year 2021. There was also a decrease of \$223,847 or 21% in student activity fees as a result of a decrease in enrollment.

Student activity fees represented approximately 75% 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, 2022:



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

Revenue

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 1,062,316	1,117,426	(55,110)	(5%)
Donated space and services	304,077	304,077	-	-
Commencement related and other	<u>219</u>	<u>1,200</u>	<u>(981)</u>	(82%)
Total operating revenue	1,366,612	1,422,703	(56,091)	(4%)
Nonoperating revenue - CUNY support	<u>141,630</u>	-	<u>141,630</u>	100%
Total revenue	\$ <u>1,508,242</u>	<u>1,422,703</u>	<u>85,539</u>	6%

**QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION**

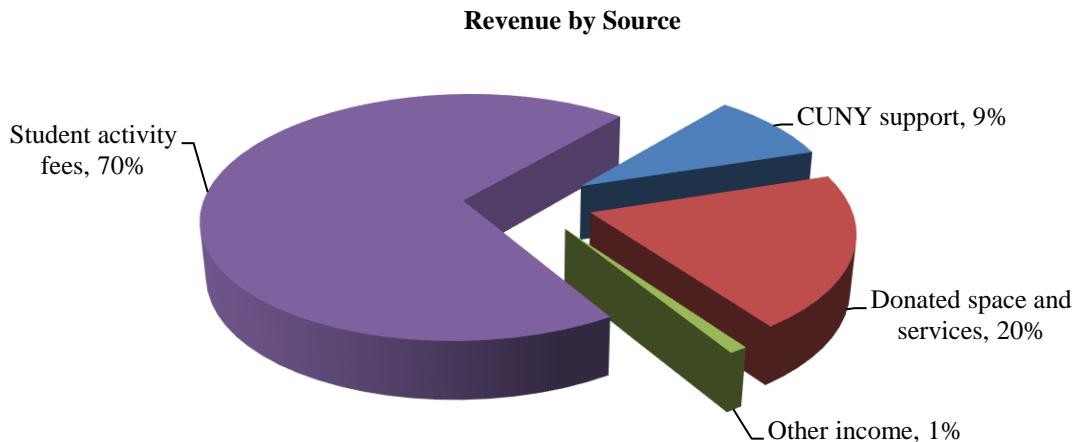
Management's Discussion and Analysis, Continued

The Association's total revenue for the year ended June 30, 2021 was \$1,508,242, an increase of \$85,539 or 6%, compared to the previous year primarily due to an increase in nonoperating revenue - CUNY support of \$141,630, offset by a decrease of \$55,110 in student activity fees collected due to a decrease in enrollment.

Student activity fees represented approximately 70% 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, 2021:



Expenses

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 56,645	71,212	(14,567)	(20%)
Athletics and recreation	318,202	39,123	279,079	713%
Student workshops and conferences	14,829	20,775	(5,946)	(29%)
Graduation/commencement	21,499	25,303	(3,804)	(15%)
Student clubs and organizations	56,214	16,680	39,534	237%
Student learning centers	340,146	256,061	84,085	33%
Communications media	1,500	2,500	(1,000)	(40%)
Other	76,759	56,911	19,848	35%
Management and general	<u>577,797</u>	<u>411,419</u>	<u>166,378</u>	40%
Total operating expenses	\$ <u>1,463,591</u>	<u>899,984</u>	<u>563,607</u>	63%

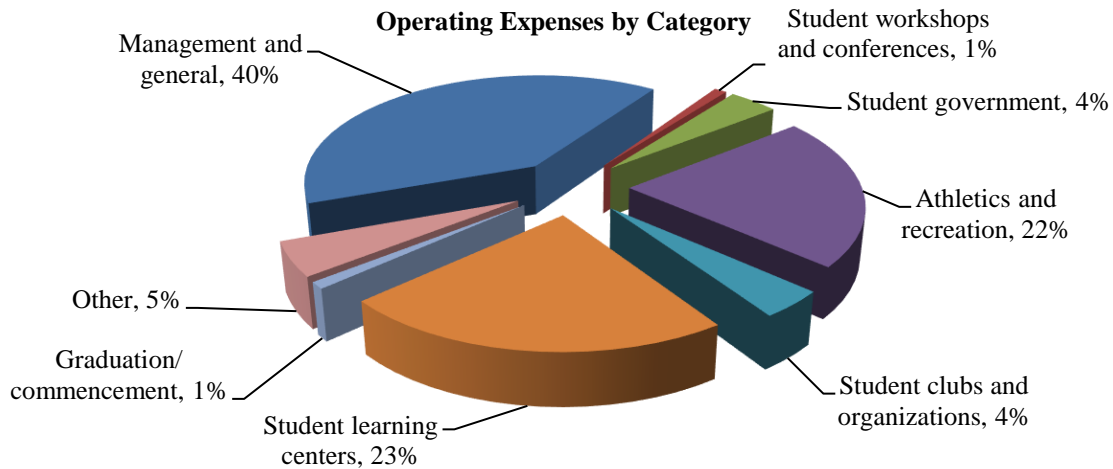
QUEENSBOROUGH COMMUNITY COLLEGE
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Management’s Discussion and Analysis, Continued

Total expenses for the year ended June 30, 2022 were \$1,463,591, an increase of \$563,607, or 63%, compared to the previous year largely due to gradual re-opening of the campus. The higher spending was mainly due to an increase of \$166,378 or 40% in management and general expenses in which \$85,000 was for persistence plus program, \$33,000 for salaries and fringes and \$8,000 for insurance premium. There was also a \$279,079 or 713% increase in athletic and recreation expense mainly used to update athletic equipment and supplies. In addition, there was an increase of \$84,085 or 33% in student learning centers primarily due to a reimbursement of \$100K to the College for tutor salaries. Finally, student clubs and organization’s expenses increased by \$39,534 or 237% mainly due to expenses on special events and ceremonies as campus activities gradually resumed. The increase was partially offset by a decrease of \$14,567 or 20% in student government mainly attributable to stipends and a decrease of \$5,946 or 29% in student workshop and conference expenses.

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, 2022:



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Management's Discussion and Analysis, Continued

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 71,212	262,414	(191,202)	(73%)
Athletics and recreation	39,123	328,796	(289,673)	(88%)
Student workshops and conferences	20,775	27,734	(6,959)	(25%)
Graduation/commencement	25,303	16,164	9,139	57%
Student clubs and organizations	16,680	24,954	(8,274)	(33%)
Student learning centers	256,061	282,153	(26,092)	(9%)
Communications media	2,500	5,655	(3,155)	(56%)
Other	56,911	79,902	(22,991)	(29%)
Management and general	<u>411,419</u>	<u>199,873</u>	<u>211,546</u>	<u>106%</u>
Total operating expenses	<u>\$ 899,984</u>	<u>1,227,645</u>	<u>(327,661)</u>	<u>(27%)</u>

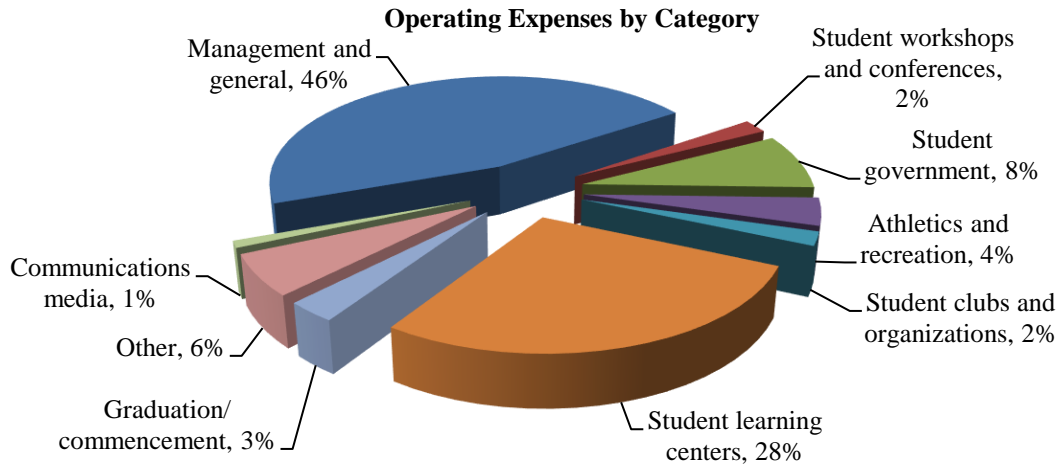
Total expenses for the year ended June 30, 2021 were \$899,984, a decrease of \$327,661 or 27%, compared to the previous year largely due to the suspension of on-campus classes and activities. The lower spending was mainly due to a decrease in student government and athletics and recreation expense which decreased by \$191,202 or 73% and \$289,673 or 88%, respectively. In addition, the decrease was partially due to donated services of \$102,675 charged to athletics and recreation and \$133,271 charged to student government in fiscal year 2020, which were both charged to management and general in fiscal year 2021. In addition, athletics and recreation had a \$101,000 decrease in salaries and fringe as well as \$51,000 in other athletic expenses as a result of suspension of on-campus activities. Student government also had a \$58,000 decrease in salaries due to not reappointing the student government secretary during the pandemic. Student workshops and conferences experienced a \$6,959 or 25% decrease in expenses mainly due to a decrease in conferences, conventions and seminars expense while student clubs expenses decreased by 8,274 or 33% mainly due to a decrease in event related expenses. Student learning center's salaries and fringe costs dropped by \$26,092 or 9%, as fewer tutors were hired. Other expenses, attributed to the cultural council, decreased by \$22,991 or 29% as a result in the decrease in number of shows produced. This was partially offset by a \$9,139 or 57% increase in graduation/commencement expenses mainly due to a reimbursement of commencement expenses to the College. Management and general expenses increased by \$211,546 or 106% was due to donated services previously booked to athletics and recreation and the student government in fiscal year 2020 were booked to management and general in fiscal year 2021.

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

**QUEENSBOROUGH COMMUNITY COLLEGE
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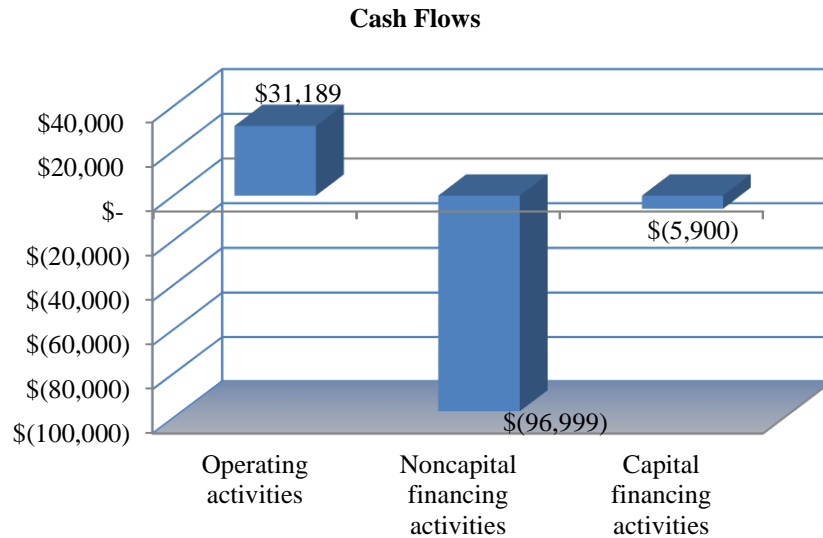
Management’s Discussion and Analysis, Continued

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



Cash Flows

The statements of cash flows provide 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, 2022:



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.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION
Statements of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current assets:		
Cash and equivalents	\$ 639,023	710,733
Receivables from related parties	624,923	846,502
Prepaid expenses and other assets	<u>107,619</u>	<u>177,848</u>
Total current assets	1,371,565	1,735,083
Noncurrent assets - capital assets, net	<u>135,268</u>	<u>106,501</u>
Total assets	<u>1,506,833</u>	<u>1,841,584</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	137,650	27,776
Unearned revenue	<u>376,004</u>	<u>458,730</u>
Total liabilities	<u>513,654</u>	<u>486,506</u>
 <u>Net position</u>		
Net investment in capital assets	135,268	106,501
Unrestricted	<u>857,911</u>	<u>1,248,577</u>
Total net position	<u>\$ 993,179</u>	<u>1,355,078</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenue:		
Student activity fees	\$ 838,469	1,062,316
Donated space and services	328,697	304,077
Other	152	219
Total operating revenue	<u>1,167,318</u>	<u>1,366,612</u>
Operating expenses:		
Student government	56,645	71,212
Athletics and recreation	318,202	39,123
Student workshops and conferences	14,829	20,775
Graduation/commencement	21,499	25,303
Student clubs and organizations	56,214	16,680
Student centers	340,146	256,061
Communications media	1,500	2,500
Other	76,759	56,911
Management and general	577,797	411,419
Total operating expenses	<u>1,463,591</u>	<u>899,984</u>
Income (loss) from operations	<u>(296,273)</u>	<u>466,628</u>
Nonoperating revenue (expenses):		
CUNY support	-	141,630
Other expenses	(26,999)	-
Contributions and donations	(70,000)	-
Depreciation recapture	31,373	-
Total nonoperating revenue (expenses), net	<u>(65,626)</u>	<u>141,630</u>
Change in position	(361,899)	608,258
Net position at beginning of year	<u>1,355,078</u>	<u>746,820</u>
Net position at end of year	<u>\$ 993,179</u>	<u>1,355,078</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION
Statements of Cash Flows
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 977,322	910,552
Other	152	219
Cash payments to/for:		
Employees' salaries and benefits	(442,858)	(420,782)
Vendors	<u>(503,427)</u>	<u>(203,113)</u>
Net cash provided by operating activities	<u>31,189</u>	<u>286,876</u>
Cash flows from noncapital financing activities:		
Contributions and donations	(70,000)	-
Other expenses	<u>(26,999)</u>	<u>-</u>
Net cash used in noncapital financing activities	<u>(96,999)</u>	<u>-</u>
Cash flows from capital financing activities - purchases of property and equipment	<u>(5,900)</u>	<u>-</u>
Net change in cash and equivalents	(71,710)	286,876
Cash and equivalents at beginning of year	<u>710,733</u>	<u>423,857</u>
Cash and equivalents at end of year	<u>\$ 639,023</u>	<u>710,733</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	(296,273)	466,628
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	8,506	8,657
Changes in:		
Receivables from related parties	221,579	(291,635)
Prepaid expenses and other assets	70,229	(48,112)
Accounts payable and accrued expenses	109,874	11,467
Unearned revenue	<u>(82,726)</u>	<u>139,871</u>
Net cash provided by operating activities	<u>\$ 31,189</u>	<u>286,876</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

Notes to Financial Statements

June 30, 2022 and 2021

(1) Nature of Organization

The Queensborough Community College Student Activity Association (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Queensborough Community College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily 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.

(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, 2022 and 2021, the Association had no restricted net position.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

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

(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) 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 all assets. 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 and equipment and improvements is five years.

(f) Revenue Recognition

Student activity fees are recognized in the period earned. Student activity fees collected prior to year-end, if any, relating to the summer and fall semesters of the subsequent year, are recorded as unearned revenue.

(g) Donated Space and Services

The Association operates on the campus of the College and, as such, utilizes office space and certain services made available to it. The cost savings associated with any such arrangements are reflected in the accompanying financial statements (note 4).

(h) 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.

(i) 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

QUEENSBOROUGH COMMUNITY COLLEGE
STUDENT ACTIVITY ASSOCIATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Subsequent Events

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

(k) 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 Association and its future results and financial position is not presently determinable.

(l) 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) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2022, \$453,580 of the Association's bank balance of \$703,580 was exposed to custodial credit risk. At June 30, 2021, \$460,733 of the Association's bank balance of \$710,733 was exposed to custodial credit risk. The Association does not have a deposit policy.

(4) Donated Space and Services

The Association is allowed free use of certain facilities provided by the College. The estimated fair value of the donated space which is used solely by the various student organizations amounted to \$4,975 for the years ended June 30, 2022 and 2021. Additionally, certain professional services were provided by the College and amounted to \$323,722 and \$299,102 for the years ended June 30, 2022 and 2021, respectively. These donated space and services are included in both revenue and expenses in the accompanying statements of revenue, expenses and changes in net position. The fair values of facilities which are shared between the Association and other College entities, such as gymnasiums and other athletic space, are not recorded in the accompanying financial statements, as neither the College nor the Association has a clearly measurable or objective basis for determining, such amounts.

QUEENSBOROUGH COMMUNITY COLLEGE
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Notes to Financial Statements, Continued

(5) Capital Assets

At June 30, 2022 and 2021, capital assets consisted of the following:

	2022			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals / recaptures</u>	<u>Ending balance</u>
Furniture and equipment	\$ 128,145	5,900	-	134,045
Improvements - science building	232,485	-	-	232,485
Improvements - gymnasium	132,700	-	-	132,700
Improvements - library building	109,846	-	-	109,846
Improvements - student union	28,154	-	-	28,154
Tables and chairs - library	<u>27,741</u>	<u>-</u>	<u>-</u>	<u>27,741</u>
	659,071	5,900	-	664,971
Less accumulated depreciation	<u>(552,570)</u>	<u>(8,506)</u>	<u>31,373</u>	<u>(529,703)</u>
Capital assets, net	\$ <u>106,501</u>	<u>(2,606)</u>	<u>31,373</u>	<u>135,268</u>
	2021			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 128,145	-	-	128,145
Improvements - science building	232,485	-	-	232,485
Improvements - gymnasium	132,700	-	-	132,700
Improvements - library building	109,846	-	-	109,846
Improvements - student union	28,154	-	-	28,154
Tables and chairs - library	<u>27,741</u>	<u>-</u>	<u>-</u>	<u>27,741</u>
	659,071	-	-	659,071
Less accumulated depreciation	<u>(543,913)</u>	<u>(8,657)</u>	<u>-</u>	<u>(552,570)</u>
Capital assets, net	\$ <u>115,158</u>	<u>(8,657)</u>	<u>-</u>	<u>106,501</u>

(6) Related Party Transactions

The Association entered into transactions with the Research Foundation of The City University of New York and certain other College entities related to reimbursement for payroll, healthcare and other fringe benefits provided to the Association. During the years ended June 30, 2022 and 2021, the Association paid the Research Foundation and other College entities \$513,087 and \$372,670, respectively, for these costs which covered administrative employees.

QUEENSBOROUGH COMMUNITY COLLEGE
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Notes to Financial Statements, Continued

(6) Related Party Transactions, Continued

During the year ended June 30, 2021, CUNY allocated \$141,630 of additional support to the Association for loss of revenue due to the COVID-19 pandemic; such funding is included in nonoperating revenue in the accompanying statements of revenue, expenses and changes in net position as CUNY support. At June 30, 2022 and 2021, the Association had related receivables totaling \$624,923 and \$846,502 due from CUNY.

(7) 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.