

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Financial Statements and  
Supplementary Information

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Table of Contents

|   | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report                                | 1 - 3       |
| Management's Discussion and Analysis                        | 4 - 14      |
| Financial Statements:                                       |             |
| Statements of Net Position                                  | 15          |
| Statements of Revenue, Expenses and Changes in Net Position | 16          |
| Statements of Cash Flows                                    | 17 - 18     |
| Notes to Financial Statements                               | 19 - 26     |

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
York College Auxiliary Enterprises Corporation:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of York 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 York College Auxiliary Enterprises Corporation 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 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 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 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 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 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 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  
October 5, 2023

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

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 Auxiliary Enterprises Corporation's (the Auxiliary) 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 Auxiliary's net position decreased by \$39,884 or 2%.
- Operating revenue increased by \$226,165 or 39%.
- Operating expenses increased by \$177,568 or 28%.

**Financial Position**

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

**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:

|                                  | <u>2023</u>         | <u>2022</u>      | <u>Dollar<br/>change</u> | <u>Percent<br/>change</u> |
|----------------------------------|---------------------|------------------|--------------------------|---------------------------|
| <b>Assets:</b>                   |                     |                  |                          |                           |
| Current assets                   | \$ 1,790,643        | 1,804,239        | (13,596)                 | (1%)                      |
| Noncurrent assets                | <u>488,079</u>      | <u>455,830</u>   | <u>32,249</u>            | 7%                        |
| Total assets                     | <u>2,278,722</u>    | <u>2,260,069</u> | <u>18,653</u>            | 1%                        |
| <b>Liabilities:</b>              |                     |                  |                          |                           |
| Current liabilities              | 558,183             | 499,646          | 58,537                   | 12%                       |
| Noncurrent liabilities           | <u>10,000</u>       | <u>10,000</u>    | <u>-</u>                 | -                         |
| Total liabilities                | <u>568,183</u>      | <u>509,646</u>   | <u>58,537</u>            | 11%                       |
| <b>Net position:</b>             |                     |                  |                          |                           |
| Net investment in capital assets | 30,585              | 23,972           | 6,613                    | 28%                       |
| Unrestricted                     | <u>1,679,954</u>    | <u>1,726,451</u> | <u>(46,497)</u>          | (3%)                      |
| Total net position               | \$ <u>1,710,539</u> | <u>1,750,423</u> | <u>(39,884)</u>          | (2%)                      |

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

At June 30, 2023, the Auxiliary's total assets increased by \$18,653 or 1%, compared to the previous year. The majority of this variance was related to an increase in noncurrent assets of \$32,249. Noncurrent assets increased primarily as a result of an increase in CUNY long-term investment pool returns of \$25,636 due to the investment pool having favorable market conditions.

At June 30, 2023, the Auxiliary's total liabilities increased by \$58,537 or 11%, compared to the previous year. The majority of this variance is related to a increase in accounts payable and accrued expenses as well as an increase in the amount due to New York State of \$40,256 and \$49,554, respectively. The increases were attributed to the timing of payments. These increases are offset by a decrease in deposits held in custody for others of \$9,281 primarily due to the increased activity in the library.

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

The following summarizes the Auxiliary'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<br/>change</u> | <u>Percent<br/>change</u> |
|----------------------------------|---------------------|------------------|--------------------------|---------------------------|
| Assets:                          |                     |                  |                          |                           |
| Current assets                   | \$ 1,804,239        | 1,193,828        | 610,411                  | 51%                       |
| Noncurrent assets                | <u>455,830</u>      | <u>483,231</u>   | <u>(27,401)</u>          | (6%)                      |
| Total assets                     | <u>2,260,069</u>    | <u>1,677,059</u> | <u>583,010</u>           | 35%                       |
| Liabilities:                     |                     |                  |                          |                           |
| Current liabilities              | 499,646             | 554,361          | (54,715)                 | (10%)                     |
| Noncurrent liabilities           | <u>10,000</u>       | <u>10,000</u>    | -                        | -                         |
| Total liabilities                | <u>509,646</u>      | <u>564,361</u>   | <u>(54,715)</u>          | (10%)                     |
| Net position:                    |                     |                  |                          |                           |
| Net investment in capital assets | 23,972              | 29,757           | (5,785)                  | (19%)                     |
| Unrestricted                     | <u>1,726,451</u>    | <u>1,082,941</u> | <u>643,510</u>           | 59%                       |
| Total net position               | \$ <u>1,750,423</u> | <u>1,112,698</u> | <u>637,725</u>           | 57%                       |

**YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION**

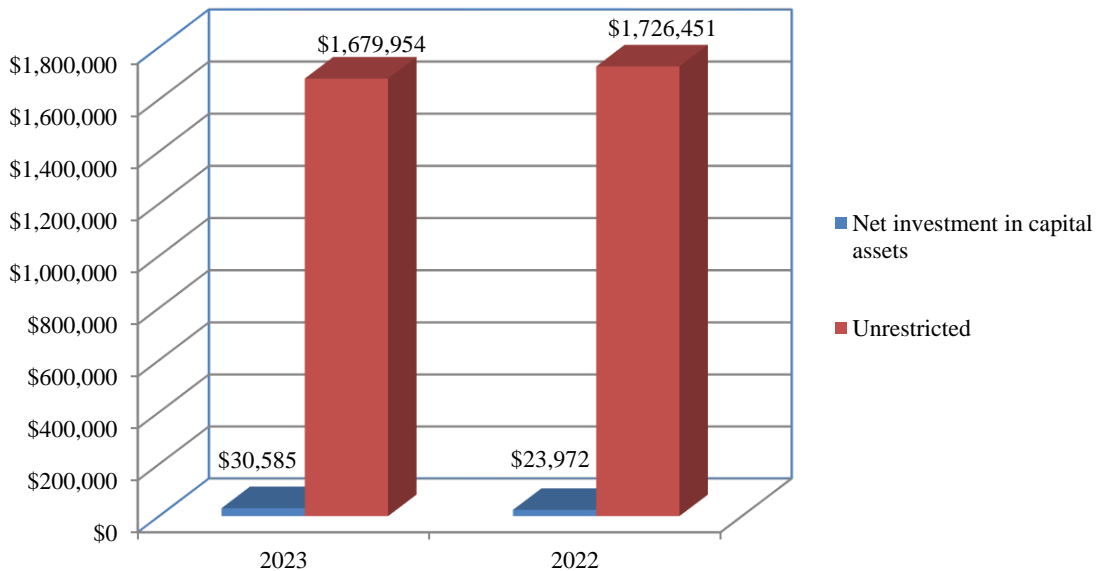
**Management’s Discussion and Analysis, Continued**

At June 30, 2022, the Auxiliary’s total assets increased by \$583,010 or 35%, compared to the previous year. The majority of this variance was related to an increase in current assets of \$610,411. Current assets increased primarily as a result of an increase in cash and equivalents of \$676,235. The increase is primarily due to the Auxiliary receiving CUNY funding from fiscal year 2021 of \$923,801. This was offset by a decrease in noncurrent asset of \$27,401. Noncurrent assets decreased primarily due to non-favorable market conditions in the CUNY investment pool account.

At June 30, 2022, the Auxiliary’s total liabilities decreased by \$54,715 or 10%, compared to the previous year. The majority of this variance is related to a decrease in accounts payable and accrued expenses as well as a decrease in the amount due to York College of \$35,154 and \$46,790, respectively. The decreases in accounts payable and accrued expenses and due to York College entities were attributed to the timing of payments. These decreases are offset by an increase in deposits held in custody for others of \$23,702 primarily due to additional revenue receipts.

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

**Net Position**





YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

**Statements of Revenue, Expenses and Changes in Net Position**

The statements of revenue, expenses and changes in net position represent the operating results of the Auxiliary, 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:         |                   |                  |                      |                       |
| Commissions:               |                   |                  |                      |                       |
| Bookstore                  | \$ 7,351          | 9,632            | (2,281)              | (24%)                 |
| Cafeteria                  | 12,097            | 5,890            | 6,207                | 105%                  |
| Royalties                  | 49,180            | 42,320           | 6,860                | 16%                   |
| Rental income              | 209,583           | 34,541           | 175,042              | 507%                  |
| Copier                     | 1,786             | -                | 1,786                | 100%                  |
| Parking fees               | 270,119           | 241,337          | 28,782               | 12%                   |
| Donated space and services | 188,298           | 186,804          | 1,494                | 1%                    |
| Other                      | <u>60,793</u>     | <u>52,518</u>    | <u>8,275</u>         | 16%                   |
| Total operating revenue    | <u>799,207</u>    | <u>573,042</u>   | <u>226,165</u>       | 39%                   |
| Nonoperating revenue:      |                   |                  |                      |                       |
| Investment income (loss)   | 26,998            | (22,739)         | 49,737               | 219%                  |
| Contributions              | 16,800            | -                | 16,800               | 100%                  |
| CUNY support               | <u>-</u>          | <u>747,134</u>   | <u>(747,134)</u>     | (100%)                |
| Total nonoperating revenue | <u>43,798</u>     | <u>724,395</u>   | <u>(680,597)</u>     | (94%)                 |
| Total revenue              | \$ <u>843,005</u> | <u>1,297,437</u> | <u>(454,432)</u>     | (35%)                 |

The Auxiliary's total revenue for the year ended June 30, 2023 amounted to \$843,005, a decrease of \$454,432 or 35%, compared to the previous year. The majority of this variance was related to a decrease in CUNY support of \$747,134. The decrease in CUNY support is due to having received the funds in the prior year from the CARES Act.

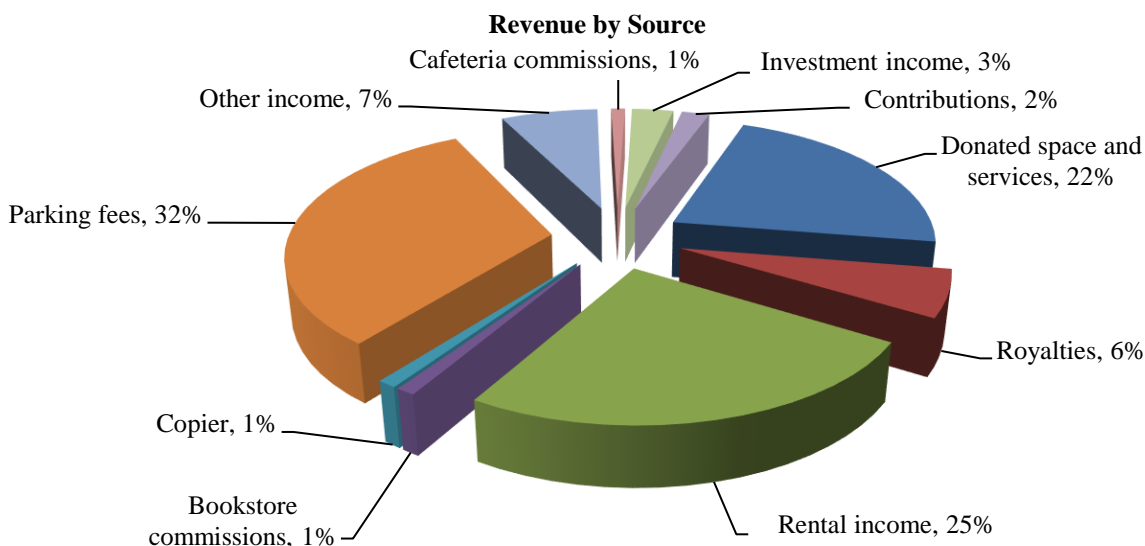
Rental income, parking fees and donated space and services represented 25%, 32% and 22% of the total revenue, respectively. Accordingly, the Auxiliary is dependent upon this level of support to carry out its operations.

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

**YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION**

Management's Discussion and Analysis, Continued

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



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<br/>change</u> | <u>Percent<br/>change</u> |
|----------------------------|---------------------|------------------|--------------------------|---------------------------|
| Operating revenue:         |                     |                  |                          |                           |
| Commissions:               |                     |                  |                          |                           |
| Bookstore                  | \$ 9,632            | 51,772           | (42,140)                 | (81%)                     |
| Cafeteria                  | 5,890               | -                | 5,890                    | 100%                      |
| Royalties                  | 42,320              | 42,320           | -                        | -                         |
| Rental income              | 34,541              | 124,865          | (90,324)                 | (72%)                     |
| Parking fees               | 241,337             | 58,678           | 182,659                  | 311%                      |
| Donated space and services | 186,804             | 159,716          | 27,088                   | 17%                       |
| Other                      | <u>52,518</u>       | <u>23,837</u>    | <u>28,681</u>            | 120%                      |
| Total operating revenue    | <u>573,042</u>      | <u>461,188</u>   | <u>111,854</u>           | 24%                       |
| Nonoperating revenue:      |                     |                  |                          |                           |
| Investment income (loss)   | (22,739)            | 71,797           | (94,536)                 | (132%)                    |
| CUNY support               | <u>747,134</u>      | <u>986,560</u>   | <u>(239,426)</u>         | (24%)                     |
| Total nonoperating revenue | <u>724,395</u>      | <u>1,058,357</u> | <u>(333,962)</u>         | (32%)                     |
| Total revenue              | <u>\$ 1,297,437</u> | <u>1,519,545</u> | <u>(222,108)</u>         | (15%)                     |

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

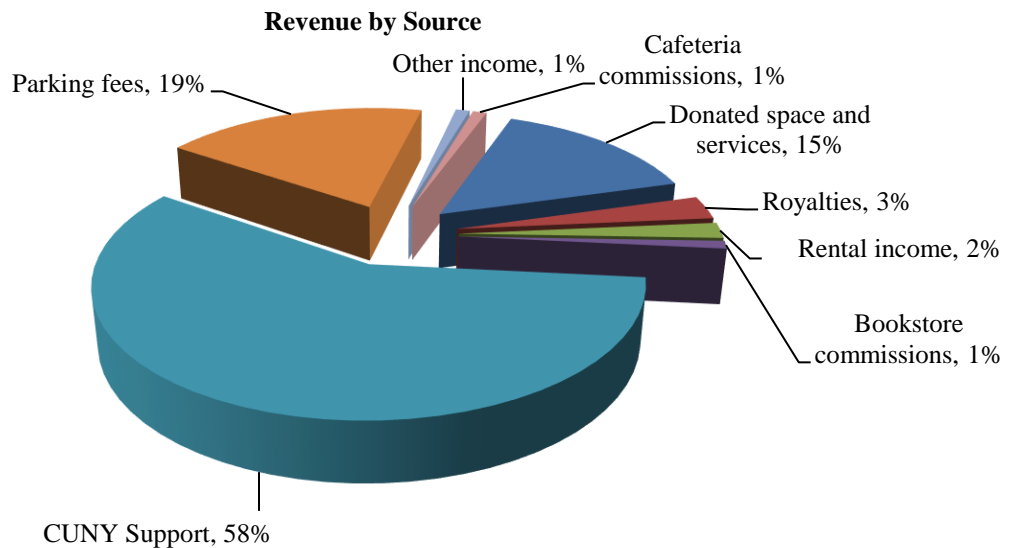
Management's Discussion and Analysis, Continued

The Auxiliary's total revenue for the year ended June 30, 2022 amounted to \$1,297,437, a decrease of \$222,108 or 15%, compared to the previous year. The major components of this variance were related to decreases in bookstore commissions, rental income and investment income of \$42,140, \$90,324 and \$94,536, respectively. Bookstore commissions decreased due to a one-time payment that was received in fiscal year 2021 of \$43,275. The decrease in rental income was primarily due to the Performing Arts Center being closed due to remediation. Investment income decreased primarily due to unfavorable market conditions.

CUNY support, parking fees and donated space and services represented 58%, 19% and 15% of the total revenue, respectively. Accordingly, the Auxiliary is dependent upon this level of support to carry out its operations.

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:



YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

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

**Expenses**

|   | <u>2023</u>       | <u>2022</u>    | <u>Dollar<br/>change</u> | <u>Percent<br/>change</u> |
|---|-------------------|----------------|--------------------------|---------------------------|
| Operating expenses:                     |                   |                |                          |                           |
| Athletics and recreation                | \$ 81,275         | 830            | 80,445                   | 9,692%                    |
| Graduation/commencement                 | 232,398           | 224,489        | 7,909                    | 4%                        |
| Health services                         | 721               | -              | 721                      | 100%                      |
| Thurgood Marshall                       | 4,558             | -              | 4,558                    | 100%                      |
| Fine arts                               | 3,708             | 1,956          | 1,752                    | 90%                       |
| Recruitment and advertising             | 17,635            | 2,774          | 14,861                   | 536%                      |
| Facility rentals                        | 23,151            | 11,160         | 11,991                   | 107%                      |
| Parking                                 | 70,471            | 126,147        | (55,676)                 | (44%)                     |
| Other                                   | 34,445            | 7,094          | 27,351                   | 386%                      |
| Management and general                  | 299,361           | 240,203        | 59,158                   | 25%                       |
| Depreciation                            | 8,886             | 5,785          | 3,101                    | 54%                       |
| Bad debt                                | <u>36,697</u>     | <u>15,300</u>  | <u>21,397</u>            | 140%                      |
| Total operating expenses                | 813,306           | 635,738        | 177,568                  | 28%                       |
| Nonoperating expenses - College support | <u>69,583</u>     | <u>23,974</u>  | <u>45,609</u>            | 190%                      |
| Total expenses                          | \$ <u>882,889</u> | <u>659,712</u> | <u>223,177</u>           | 34%                       |

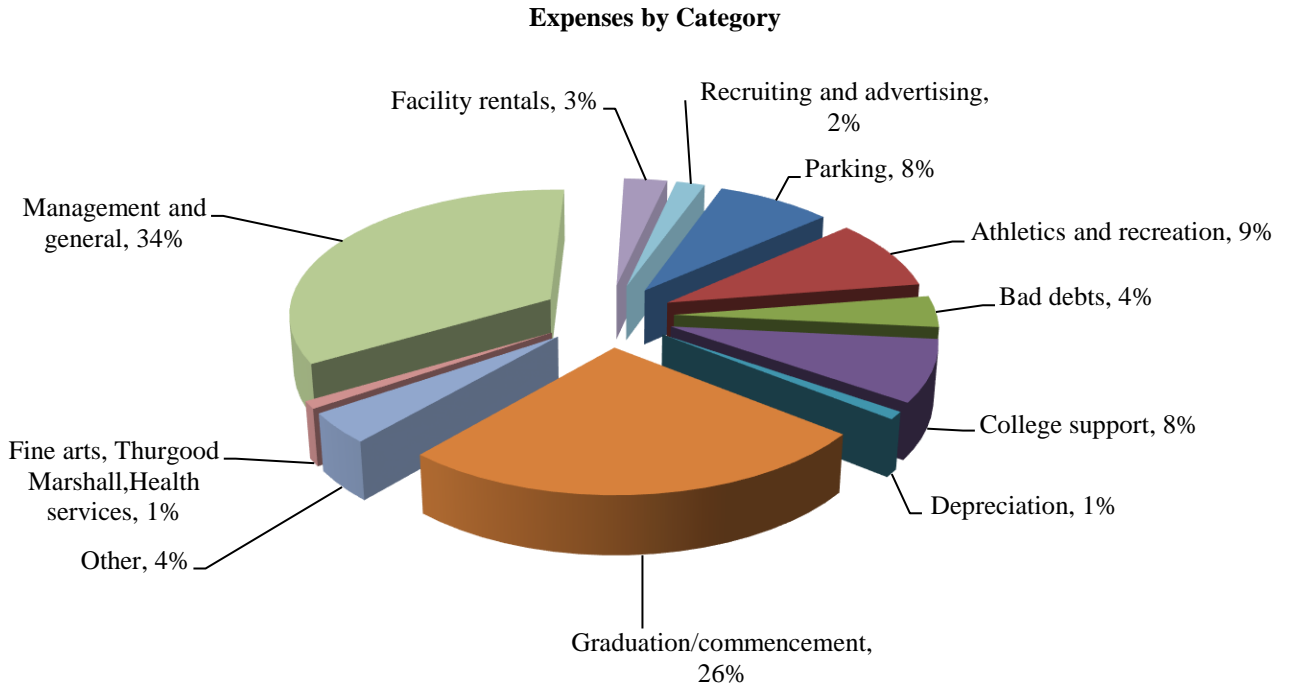
Total expenses for the year ended June 30, 2023 amounted to \$882,889, an increase of \$223,177 or 34%, compared to the previous year. The major components of this variance were related to an increase in athletics and recreation as well as management and general of \$80,445 and \$59,158, respectively. These were offset by a decrease in parking of \$55,676. Athletics and recreation increased due to an increase in sport related events and activities in 2023. Management and general increased primarily due to a payment for a legal settlement of \$30,000. Parking decreased due to a reduction of security expense.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

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:



YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

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

**Expenses**

|   | <u>2022</u>       | <u>2021</u>    | <u>Dollar<br/>change</u> | <u>Percent<br/>change</u> |
|---|-------------------|----------------|--------------------------|---------------------------|
| Operating expenses:                     |                   |                |                          |                           |
| Athletics and recreation                | \$ 830            | -              | 830                      | 100%                      |
| Graduation/commencement                 | 224,489           | 9,179          | 215,310                  | 2,346%                    |
| Fine arts                               | 1,956             | -              | 1,956                    | 100%                      |
| Undergraduate research                  | -                 | 1,383          | (1,383)                  | (100%)                    |
| Recruitment and advertising             | 2,774             | 1,220          | 1,554                    | 127%                      |
| Facility rentals                        | 11,160            | 35,201         | (24,041)                 | (68%)                     |
| Parking                                 | 126,147           | 106,680        | 19,467                   | 18%                       |
| Performing arts                         | -                 | 28,329         | (28,329)                 | (100%)                    |
| Other                                   | 7,094             | 4,094          | 3,000                    | 73%                       |
| Management and general                  | 240,203           | 398,152        | (157,949)                | (40%)                     |
| Depreciation                            | 5,785             | 11,931         | (6,146)                  | (52%)                     |
| Bad debt                                | <u>15,300</u>     | <u>41,334</u>  | <u>(26,034)</u>          | (63%)                     |
| Total operating expenses                | 635,738           | 637,503        | (1,765)                  | (1%)                      |
| Nonoperating expenses - College support | <u>23,974</u>     | <u>9,294</u>   | <u>14,680</u>            | 158%                      |
| Total expenses                          | \$ <u>659,712</u> | <u>646,797</u> | <u>12,915</u>            | 2%                        |

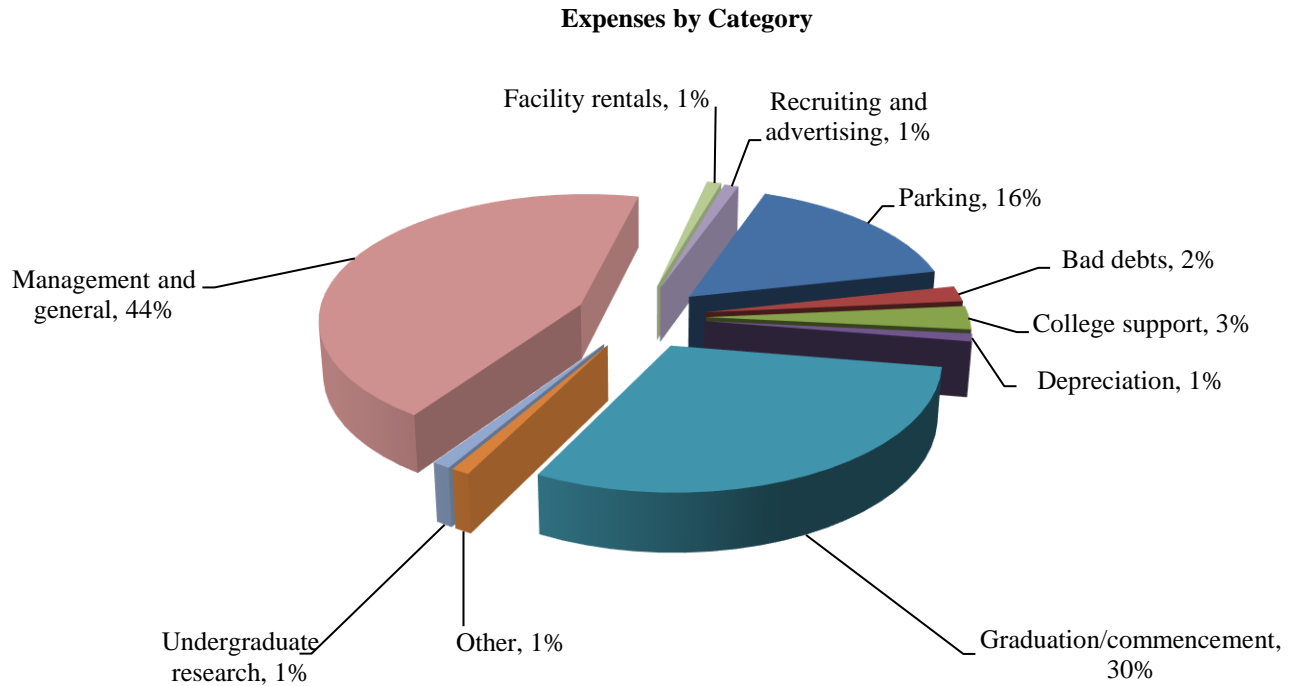
Total expenses for the year ended June 30, 2022 amounted to \$659,712, an increase of \$12,915 or 2%, compared to the previous year. The major components of this variance were related to an increase in graduation/commencement and parking of \$215,310 and \$19,467, respectively. These were offset by a decrease in management and general and performing arts of \$157,949 and \$28,329, respectively. Graduation/commencement increased due to commencement being held in the rental arena in fiscal year 2022. Parking increased due an elevated presence on campus as the college gets back to pre-COVID conditions. Management and general and performing arts decreased due to the closure of the Performing Arts Center.

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

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

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

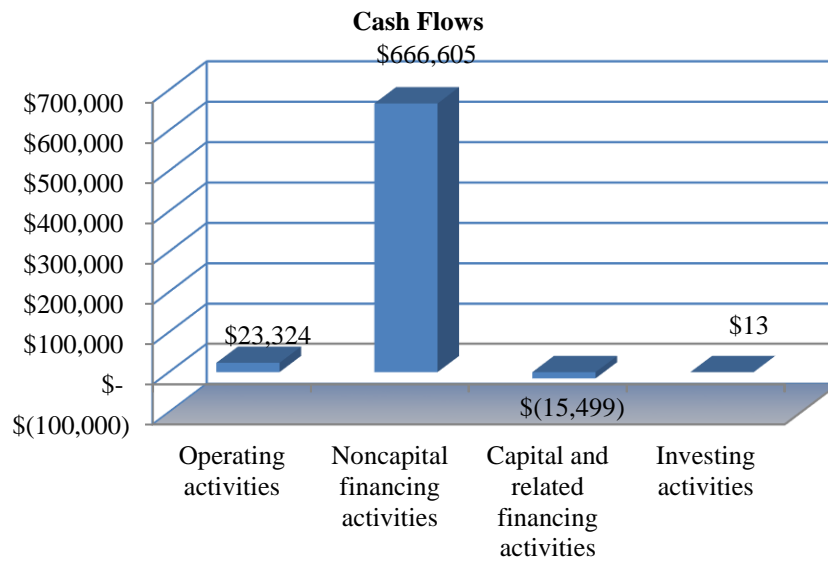


YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Management's Discussion and Analysis, Continued

**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 Auxiliary's ability to generate net cash flows, meet its obligations as they come due, and 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**

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 AUXILIARY  
ENTERPRISES CORPORATION

Statements of Net Position

June 30, 2023 and 2022

|   | <u>Assets</u>       | <u>2023</u>  | <u>2022</u> |
|---|---------------------|--------------|-------------|
| Current assets:                           |                     |              |             |
| Cash and equivalents                      |                     | \$ 1,503,552 | 829,109     |
| Accounts receivable                       |                     | 239,868      | 160,908     |
| Due from CUNY                             |                     | -            | 747,134     |
| Commissions receivable                    |                     | -            | 10,712      |
| Prepaid expenses                          |                     | 23,144       | 33,646      |
| Investments, short-term                   |                     | 24,079       | 22,730      |
| Total current assets                      |                     | 1,790,643    | 1,804,239   |
| Noncurrent assets:                        |                     |              |             |
| Investments, long-term                    |                     | 457,494      | 431,858     |
| Capital assets, net                       |                     | 30,585       | 23,972      |
| Total noncurrent assets                   |                     | 488,079      | 455,830     |
| Total assets                              |                     | 2,278,722    | 2,260,069   |
|   | <u>Liabilities</u>  |              |             |
| Current liabilities:                      |                     |              |             |
| Accounts payable and accrued expenses     |                     | 163,549      | 123,293     |
| Unearned revenue                          |                     | 4,468        | 7,995       |
| Due to York College entities              |                     | 103,702      | 122,167     |
| Due to New York State                     |                     | 49,554       | -           |
| Deposits held in custody for others, net  |                     | 236,910      | 246,191     |
| Total current liabilities                 |                     | 558,183      | 499,646     |
| Noncurrent liabilities - security deposit |                     | 10,000       | 10,000      |
| Total liabilities                         |                     | 568,183      | 509,646     |
|   | <u>Net Position</u> |              |             |
| Net investment in capital assets          |                     | 30,585       | 23,972      |
| Unrestricted                              |                     | 1,679,954    | 1,726,451   |
| Total net position                        |                     | \$ 1,710,539 | 1,750,423   |

See accompanying notes to financial statements.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended June 30, 2023 and 2022

|                                   | <u>2023</u>         | <u>2022</u>      |
|-----------------------------------|---------------------|------------------|
| Operating revenue:                |                     |                  |
| Commissions:                      |                     |                  |
| Bookstore                         | \$ 7,351            | 9,632            |
| Cafeteria                         | 12,097              | 5,890            |
| Royalties                         | 49,180              | 42,320           |
| Rental income                     | 209,583             | 34,541           |
| Copier                            | 1,786               | -                |
| Parking fees                      | 270,119             | 241,337          |
| Donated space and services        | 188,298             | 186,804          |
| Other                             | 60,793              | 52,518           |
|                                   | <u>799,207</u>      | <u>573,042</u>   |
| Total operating revenue           |                     |                  |
| Operating expenses:               |                     |                  |
| Athletics and recreation          | 81,275              | 830              |
| Graduation/commencement           | 232,398             | 224,489          |
| Health services                   | 721                 | -                |
| Thurgood Marshall                 | 4,558               | -                |
| Fine arts                         | 3,708               | 1,956            |
| Recruitment and advertising       | 17,635              | 2,774            |
| Facility rentals                  | 23,151              | 11,160           |
| Parking                           | 70,471              | 126,147          |
| Other                             | 34,445              | 7,094            |
| Management and general            | 299,361             | 240,203          |
| Depreciation                      | 8,886               | 5,785            |
| Bad debts                         | 36,697              | 15,300           |
|                                   | <u>813,306</u>      | <u>635,738</u>   |
| Total operating expenses          |                     |                  |
| Loss from operations              | <u>(14,099)</u>     | <u>(62,696)</u>  |
| Nonoperating revenue (expenses):  |                     |                  |
| Investment income (loss)          | 26,998              | (22,739)         |
| Contributions                     | 16,800              | -                |
| CUNY support                      | -                   | 747,134          |
| College support                   | (69,583)            | (23,974)         |
|                                   | <u>(25,785)</u>     | <u>700,421</u>   |
| Total nonoperating revenue        |                     |                  |
| Change in net position            | (39,884)            | 637,725          |
| Net position at beginning of year | <u>1,750,423</u>    | <u>1,112,698</u> |
| Net position at end of year       | <u>\$ 1,710,539</u> | <u>1,750,423</u> |

See accompanying notes to financial statements.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION  
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:  |                     |                  |
| Bookstore commissions  | \$ 7,351            | 1,330            |
| Cafeteria commissions  | 12,097              | 3,426            |
| Rental income  | 218,539             | 61,446           |
| Copier   | 1,786               | -                |
| Parking fees   | 270,119             | 237,216          |
| Other  | (7,455)             | (43,024)         |
| Cash payments to/for:  |                     |                  |
| Employees' salaries and benefits   | (61,220)            | (25,619)         |
| Services   | (27,564)            | (17,273)         |
| Vendors  | (390,329)           | (418,020)        |
| Net cash provided by (used in) operating activities                                      | <u>23,324</u>       | <u>(200,518)</u> |
| Cash flows from noncapital financing activities:   |                     |                  |
| Decrease in due from CUNY  | 747,134             | 176,667          |
| Decrease in due to York College entities   | (18,465)            | (46,790)         |
| (Increase) decrease in deposits held in custody for others                               | (9,281)             | 23,702           |
| Contributions  | 16,800              | -                |
| CUNY support   | -                   | 747,134          |
| College support  | (69,583)            | (23,974)         |
| Net cash provided by noncapital financing activities                                     | <u>666,605</u>      | <u>876,739</u>   |
| Cash flows from capital and related financing activities -<br>purchase of capital assets | <u>(15,499)</u>     | <u>-</u>         |
| Cash flows from investing activities - interest and dividends                            | <u>13</u>           | <u>14</u>        |
| Net change in cash and equivalents   | 674,443             | 676,235          |
| Cash and equivalents at beginning of year  | <u>829,109</u>      | <u>152,874</u>   |
| Cash and equivalents at end of year  | <u>\$ 1,503,552</u> | <u>829,109</u>   |

(Continued)

See accompanying notes to financial statements.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION  
Statements of Cash Flows, Continued

|  | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Reconciliation of loss from operations to net cash provided by<br>(used in) operating activities:        |             |             |
| Loss from operations   | \$ (14,099) | (62,696)    |
| Adjustments to reconcile loss from operations<br>to net cash provided by (used in) operating activities: |             |             |
| Depreciation   | 8,886       | 5,785       |
| Bad debt   | 36,697      | 15,300      |
| Changes in:  |             |             |
| Accounts receivable  | (115,657)   | (121,069)   |
| Commissions receivable   | 10,712      | (8,302)     |
| Prepaid expenses   | 10,502      | 2,091       |
| Accounts payable and accrued expenses  | 40,256      | (35,154)    |
| Unearned revenue   | (3,527)     | 3,527       |
| Due to New York State  | 49,554      | -           |
|  | 49,554      | -           |
| Net cash provided by (used in) operating activities  | \$ 23,324   | (200,518)   |

See accompanying notes to financial statements.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements

June 30, 2023 and 2022

(1) Nature of Organization

The York College Auxiliary Enterprises Corporation (the Auxiliary) is a nonprofit entity created to support certain activities and provide facilities and auxiliary services for the benefit of the campus community of York 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.

For financial reporting purposes, the Auxiliary 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 Auxiliary is also considered to be 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, attributable 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 position, 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 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 AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Receivables

Receivables 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 Auxiliary 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) totaling \$481,573 and \$454,588 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. 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 has the ability to 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 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.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Fair Value Measurements and Disclosures, Continued

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.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Auxiliary believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(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 Auxiliary'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 equipment; and \$25,000 or more for building improvements. 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. The estimated useful life of building improvements is the lesser of the projected life or 25 years.

(h) Revenue Recognition

Operating revenue is recognized in the period earned and are primarily derived from agreements with third-party vendors that provide bookstore, cafeteria, vending, copier, facility rental and other services. Fees that are collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(i) Donated Space and Services

The Auxiliary operates on the campus of the College and, utilizes office space and certain services made available to it. 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 services (note 10).

(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.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

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

(l) Commissions

Bookstore, cafeteria and vending commissions represent income earned under contracts with third-party vendors who operate and maintain the campus bookstore, cafeteria, and vending services, respectively.

(m) Subsequent Events

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

(n) Income Taxes

The Auxiliary 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 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 it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Auxiliary has taken no uncertain tax positions that require adjustment in 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. At June 30, 2023, \$1,254,651 of the Auxiliary's bank balance of \$1,529,101 was exposed to custodial credit risk as it was uninsured and uncollateralized. At June 30, 2022, \$771,943 of the Auxiliary's bank balance of \$1,045,216 was exposed to custodial credit risk as it was uninsured and uncollateralized.



YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

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

The Auxiliary's investments in the investment pool are comprised of 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 | \$ 24,079         | 22,730         |
| Investments in CUNY investment pool, long-term  | <u>457,494</u>    | <u>431,858</u> |
|   | \$ <u>481,573</u> | <u>454,588</u> |

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

|                          |                   |
|--------------------------|-------------------|
| Balance at June 30, 2021 | \$ 477,341        |
| Interest and dividends   | 5,078             |
| Realized gain            | 12,839            |
| Unrealized loss          | <u>(40,670)</u>   |
| Balance at June 30, 2022 | 454,588           |
| Interest and dividends   | 6,656             |
| Realized gain            | 7,251             |
| Unrealized gain          | <u>13,078</u>     |
| Balance at June 30, 2023 | \$ <u>481,573</u> |

A summary of investment income (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         | \$ 6,656         | 5,078           |
| Realized gain                  | 7,251            | 12,839          |
| Unrealized gain (loss)         | <u>13,078</u>    | <u>(40,670)</u> |
| Total investment income (loss) | \$ <u>26,985</u> | <u>(22,753)</u> |

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(5) Capital Assets

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

|                               | 2023                 |                |              |                   |
|-------------------------------|----------------------|----------------|--------------|-------------------|
|                               | Beginning<br>balance | Additions      | Disposals    | Ending<br>balance |
| Furniture and equipment       | \$ 44,969            | -              | -            | 44,969            |
| Equipment                     | 156,206              | 15,499         | (5,751)      | 165,954           |
| Vehicles                      | 80,788               | -              | -            | 80,788            |
| Improvements                  | <u>105,989</u>       | <u>-</u>       | <u>-</u>     | <u>105,989</u>    |
| Total                         | 387,952              | 15,499         | (5,751)      | 397,700           |
| Less accumulated depreciation | <u>(363,980)</u>     | <u>(8,886)</u> | <u>5,751</u> | <u>(367,115)</u>  |
| Capital assets, net           | \$ <u>23,972</u>     | <u>6,613</u>   | <u>-</u>     | <u>30,585</u>     |
|                               |                      |                |              |                   |
|                               | 2022                 |                |              |                   |
|                               | Beginning<br>balance | Additions      | Disposals    | Ending<br>balance |
| Furniture and equipment       | \$ 44,969            | -              | -            | 44,969            |
| Equipment                     | 158,473              | -              | (2,267)      | 156,206           |
| Vehicles                      | 80,788               | -              | -            | 80,788            |
| Improvements                  | <u>105,989</u>       | <u>-</u>       | <u>-</u>     | <u>105,989</u>    |
| Total                         | 390,219              | -              | (2,267)      | 387,952           |
| Less accumulated depreciation | <u>(360,462)</u>     | <u>(5,785)</u> | <u>2,267</u> | <u>(363,980)</u>  |
| Capital assets, net           | \$ <u>29,757</u>     | <u>(5,785)</u> | <u>-</u>     | <u>23,972</u>     |

(6) Deposits Held in Custody for Others

At June 30, 2023 and 2022, the Auxiliary held \$236,910 and \$246,191, respectively, 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.

(7) Unrestricted Net Position - Designated

Unrestricted net position includes \$1,679,954 and \$1,726,451 at June 30, 2023 and 2022, respectively, designated by the Board of Directors of the Auxiliary to fund costs related to the purchase and replacement of furniture, equipment and capital projects, and to support a select number of College departments that generate revenue.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(8) Commissions

Bookstore commissions represent income earned from a virtual bookstore vendor. CUNY entered into a contract with a virtual bookstore in which the Auxiliary is participating. The Auxiliary receives 5% of commission on books and course materials and 10% on general merchandise.

(9) Royalties

During the years ended June 30, 2023 and 2022, the Auxiliary received an annual royalty payment of \$49,180 and \$42,320, respectively, from Verizon for leasing space on the roof of one its buildings to house a telecommunications transmitter. The contract expires July 18, 2027.

(10) Donated Space and Services

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

|                       | <u>2023</u>       | <u>2022</u>    |
|-----------------------|-------------------|----------------|
| Facilities            | \$ 3,596          | 3,828          |
| Professional services | <u>184,702</u>    | <u>182,976</u> |
|                       | \$ <u>188,298</u> | <u>186,804</u> |

(11) Related Party Transactions

At June 30, 2023 and 2022, the Auxiliary owed \$103,702 and \$122,167, respectively, to other York College entities. The Auxiliary 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 Auxiliary has invested \$481,573 and \$454,588 as of June 30, 2023 and 2022, respectively, in the CUNY investment pool (note 4) which is under the control of the Committee, a related party.

During the year ended June 30, 2022, CUNY allocated \$747,134 in CUNY support funding to the Auxiliary, of which \$747,134 was outstanding as due from CUNY as of June 30, 2022.

During the year ended June 30, 2023 and 2022, the Auxiliary paid college support amounting to \$69,583 and \$23,974, respectively. These expenses served the college by hosting events for staff, faculty and students.

YORK COLLEGE AUXILIARY  
ENTERPRISES CORPORATION

Notes to Financial Statements, Continued

(12) 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.