

YORK COLLEGE ASSOCIATION, INC.
Financial Statements and
Supplementary Information
June 30, 2016 and 2015
(With Independent Auditors' Report Thereon)

YORK COLLEGE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
York College Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of York College Association, Inc. (the Association) as of and for the years ended June 30, 2016 and 2015, and related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of York College Association, Inc. as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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.

Toski & Co., CPAs, P.C.

Williamsville, New York
September 30, 2016

YORK COLLEGE ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2016 and 2015

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of the York College Association, Inc.'s (the Association) financial position as of June 30, 2016, and changes in its net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Association's net position decreased by \$8,933 or 1%.
- Operating revenue decreased by \$16,490 or 1%.
- Operating expenses decreased by \$77,862 or 6%.

Financial Position

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

Statements of Net Position

The following summarizes the Association's assets, liabilities, and net position as of June 30, 2016 and 2015, under the accrual basis of accounting:

	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,103,838	1,190,205	(86,367)	(7%)
Noncurrent asset	<u>675,951</u>	<u>710,467</u>	<u>(34,516)</u>	(5%)
Total assets	<u>1,779,789</u>	<u>1,900,672</u>	<u>(120,883)</u>	(6%)
Liabilities	<u>248,553</u>	<u>360,503</u>	<u>(111,950)</u>	(31%)
Net position:				
Net investment in capital assets	12,722	32,343	(19,621)	(61%)
Unrestricted	<u>1,518,514</u>	<u>1,507,826</u>	<u>10,688</u>	1%
Total net position	\$ <u>1,531,236</u>	<u>1,540,169</u>	<u>(8,933)</u>	(1%)

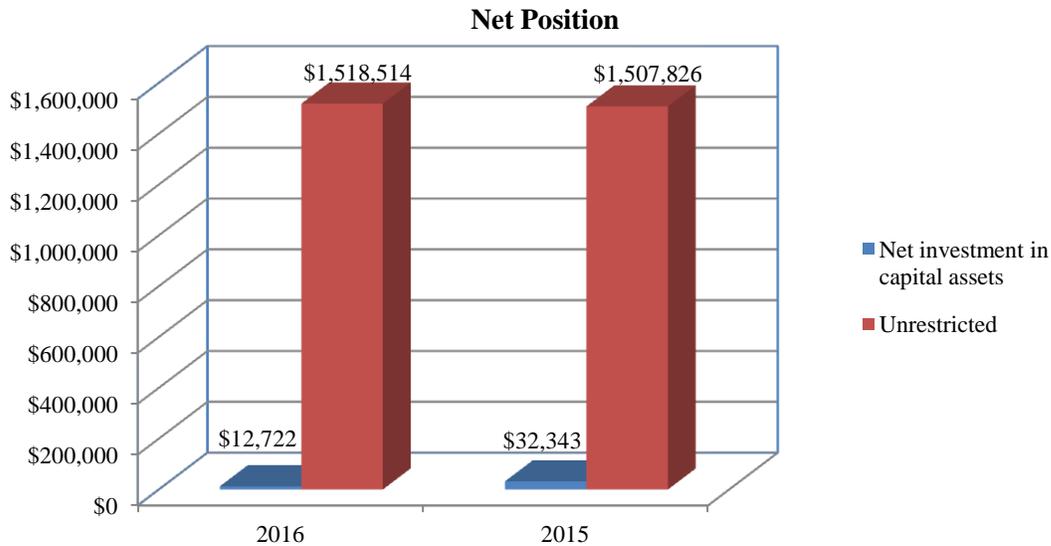
YORK COLLEGE ASSOCIATION, INC.
Management's Discussion and Analysis, Continued

At June 30, 2016, the Association's total assets decreased by \$120,883 or 6%, compared to the previous year. The majority of this variance was attributable to decreases in cash and equivalents of \$86,859. Cash and equivalents primarily decrease due to the timing of payments compared to the prior year. In addition investments and capital assets decreased by \$14,895 and \$19,621, respectively. Investments decreased due to an unfavorable return and capital assets decreased due to depreciation.

At June 30, 2016, the Association's total current liabilities decreased by \$111,950 or 31%, compared to the previous year. The majority of this variance was related to a decrease in accounts payable and accrued expenses as well as due to college entities of \$80,255 and \$30,836, respectively. Due to York College entities decreased, largely due to less reimbursements to New York State. Accounts payable and accrued expenses decreased, largely due to the timing of operating expenses.

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

The following illustrates the Association's net position at June 30, 2016 and 2015 by category:



YORK COLLEGE ASSOCIATION, INC.
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 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, 2016 and 2015 are as follows:

Revenue

	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 855,505	888,404	(32,899)	(4%)
Donated space and services	268,178	250,867	17,311	7%
Other	<u>3,876</u>	<u>4,778</u>	<u>(902)</u>	(19%)
Total operating revenue	<u>1,127,559</u>	<u>1,144,049</u>	<u>(16,490)</u>	(1%)
Nonoperating revenue:				
Interest income	99	4,837	(4,738)	(98%)
Net depreciation of investments	<u>(14,881)</u>	<u>(15,781)</u>	<u>900</u>	6%
Total nonoperating revenue	<u>(14,782)</u>	<u>(10,944)</u>	<u>(3,838)</u>	(35%)
Total revenue	\$ <u>1,112,777</u>	<u>1,133,105</u>	<u>(20,328)</u>	(2%)

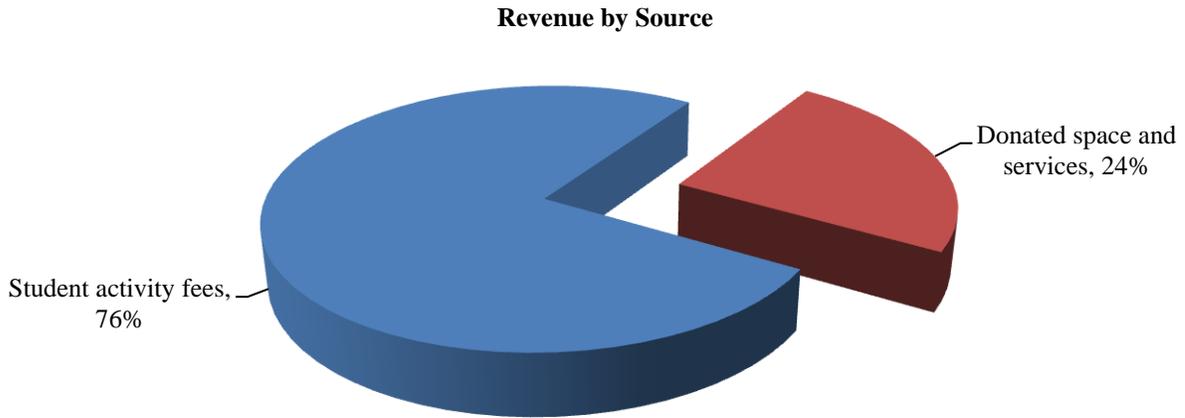
The Association's total revenue for the year ended June 30, 2016 amounted to \$1,112,777, a decrease of \$20,328 or 2%, compared to the previous year. The component of this variance relates to a decrease in student activity fees and interest income of \$32,899 and \$4,738, respectfully. Student activity fees decreased due to enrollment and interest decreased largely due to unfavorable market conditions.

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

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

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

The following illustrates the Association's revenue, by source, for the year ended June 30, 2016:



Expenses

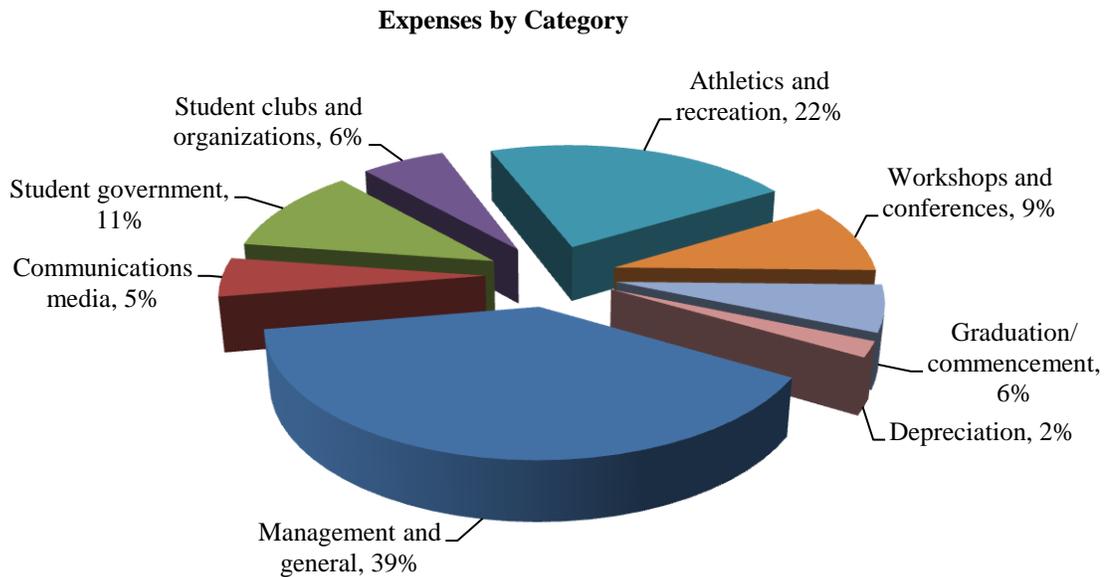
	<u>2016</u>	<u>2015</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 122,380	220,454	(98,074)	(44%)
Communications media	61,428	50,524	10,904	22%
Workshops and conferences	102,384	54,626	47,758	87%
Graduation/commencement	69,963	50,605	19,358	38%
Student clubs and organizations	62,394	69,686	(7,292)	(10%)
Athletics and recreation	248,750	314,295	(65,545)	(21%)
Management and general	434,790	419,761	15,029	4%
Depreciation	<u>19,621</u>	<u>19,621</u>	<u>-</u>	-
Total operating expenses	\$ <u>1,121,710</u>	<u>1,199,572</u>	<u>(77,862)</u>	(6%)

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

Total expenses for the year ended June 30, 2016 were \$1,121,710, a decrease of \$77,862 or 6%, compared to the previous year. The major components of this variance were related to decreases in student government, and athletics and recreation of \$98,074 and \$65,545, respectively. Student government decreased primarily due to the association not having the previous year's one time funding for books and supplies for the college library. Athletics decreased primarily because the department didn't need to purchase the new uniforms for all their teams this year. These decreases were offset by an increase in workshops and conferences of \$47,758 or 87%. The increase was due to more students getting funding to study away or abroad.

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

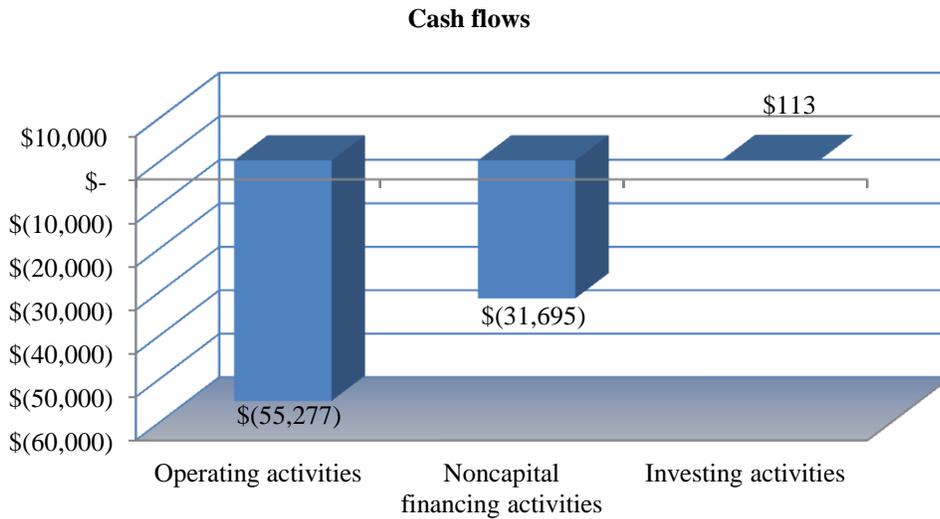
The following illustrates the Association's expenses, by category, for the year ended June 30, 2016:



YORK COLLEGE ASSOCIATION, INC.
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 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, 2016:



Economic Factors That May Affect the Future

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

YORK COLLEGE ASSOCIATION, INC.
 Statements of Net Position
 June 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and equivalents	\$ 1,094,203	1,181,062
Accounts receivables:		
Activity fees	5,889	5,889
Credit from vendor	<u>749</u>	<u>-</u>
Total accounts receivables	<u>6,638</u>	<u>5,889</u>
Prepaid expenses:		
Insurance	2,997	2,954
Other	<u>-</u>	<u>300</u>
Total prepaid expenses	<u>2,997</u>	<u>3,254</u>
Total current assets	<u>1,103,838</u>	<u>1,190,205</u>
Noncurrent assets:		
Investments, at fair value (note 4)	663,229	678,124
Capital assets, net (note 5)	<u>12,722</u>	<u>32,343</u>
Total noncurrent assets	<u>675,951</u>	<u>710,467</u>
Total assets	<u>1,779,789</u>	<u>1,900,672</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	88,566	168,821
Due to York College entities (note 7)	156,006	186,842
Deposits held in custody for others (note 8)	<u>3,981</u>	<u>4,840</u>
Total current liabilities	<u>248,553</u>	<u>360,503</u>
 <u>Net Position</u>		
Net investment in capital assets	12,722	32,343
Unrestricted	<u>1,518,514</u>	<u>1,507,826</u>
Total net position	<u>\$ 1,531,236</u>	<u>1,540,169</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenue:		
Student activity fees	\$ 855,505	888,404
Donated space and services (note 6)	268,178	250,867
Other	<u>3,876</u>	<u>4,778</u>
Total operating revenue	<u>1,127,559</u>	<u>1,144,049</u>
Operating expenses:		
Student government	122,380	220,454
Communications media	61,428	50,524
Workshops and conferences	102,384	54,626
Graduation/commencement	69,963	50,605
Student clubs and organizations	62,394	69,686
Athletics and recreation	248,750	314,295
Management and general	434,790	419,761
Depreciation (note 5)	<u>19,621</u>	<u>19,621</u>
Total operating expenses	<u>1,121,710</u>	<u>1,199,572</u>
Income (loss) from operations	<u>5,849</u>	<u>(55,523)</u>
Nonoperating revenue:		
Interest income	99	4,837
Net depreciation of investments	<u>(14,881)</u>	<u>(15,781)</u>
Total nonoperating revenue	<u>(14,782)</u>	<u>(10,944)</u>
Decrease in net position	(8,933)	(66,467)
Net position at beginning of year	<u>1,540,169</u>	<u>1,606,636</u>
Net position at end of year	<u>\$ 1,531,236</u>	<u>1,540,169</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Cash Flows
Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 855,505	882,515
Other	3,876	4,778
Cash payments to/for:		
Employees' salaries and benefits	(86,389)	(127,606)
Services	(123,034)	(151,041)
Vendors	<u>(705,235)</u>	<u>(522,031)</u>
Net cash provided by (used in) operating activities	<u>(55,277)</u>	<u>86,615</u>
Cash flows from noncapital financing activities:		
Increase (decrease) in due to York College entities	(30,836)	44,383
Decrease in deposits held in custody for others	<u>(859)</u>	<u>(185)</u>
Net cash provided by (used in) noncapital financing activities	<u>(31,695)</u>	<u>44,198</u>
Cash flows from capital and related financing activities - purchases of capital assets	<u>-</u>	<u>(2,998)</u>
Cash flows from investing activities:		
Purchases of investments	-	(4,781)
Interest and dividends	<u>113</u>	<u>4,837</u>
Net cash provided by investing activities	<u>113</u>	<u>56</u>
Net increase (decrease) in cash and equivalents	(86,859)	127,871
Cash and equivalents at beginning of year	<u>1,181,062</u>	<u>1,053,191</u>
Cash and equivalents at end of year	<u>\$ 1,094,203</u>	<u>1,181,062</u>

(Continued)

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.
Statements of Cash Flows, Continued

	<u>2016</u>	<u>2015</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ 5,849	(55,523)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	19,621	19,621
Changes in:		
Accounts receivable	(749)	(5,889)
Prepaid expenses	257	1,788
Accounts payable and accrued expenses	<u>(80,255)</u>	<u>126,618</u>
Net cash provided by (used in) operating activities	<u>\$ (55,277)</u>	<u>86,615</u>
Supplemental schedule of cash flow information:		
Donated space and services	<u>\$ 268,178</u>	<u>250,867</u>
Professional services	265,162	247,271
Facilities	<u>3,016</u>	<u>3,596</u>
	<u>\$ 268,178</u>	<u>250,867</u>
Disposal of fully depreciated furniture and equipment	<u>\$ 4,962</u>	<u>-</u>

See accompanying notes to financial statements.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Organization

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

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

For financial reporting purposes, the Association is considered to be a special-purpose government 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) Accounting Pronouncements

The significant GASB statements followed by the Association are summarized below:

- GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This statement amends the net asset reporting requirements in Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.
- GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(b) Accounting Pronouncements, Continued

- GASB Statement No. 72 - “Fair Value Measurement and Application” provides guidance regarding accounting and financial reporting relates to fair value measures of certain investments. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015 for the Association. For the Association, this Statement became effective for the fiscal year beginning July 1, 2015.
- GASB Statement No. 79 - “Certain External Investment Pools and Pool Participants.” This Statement, issued in December 2015, addresses the accounting and financial reporting for certain external investment pools and pool participants. It establishes the criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk and shadow pricing. For the Association, this Statement became effective for the fiscal year beginning July 1, 2015.

(c) 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 which including net position designated by actions, if any, of the Association’s Board of Directors.

At June 30, 2016, the Association had no restricted net position.

(d) Cash and Equivalents

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

(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 \$1,000 or more for computer hardware and \$5,000 or more for all other equipment. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Investments

The Association records its investments at fair value based on quoted market prices, with changes in fair value of investments recorded in the statements of revenue, expenses and changes in net position.

(g) Revenue Recognition

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

(h) Donated Space and Services

The Association operates on the campus of the College and utilizes office space and equipment, as well as personal services of certain college employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such services (note 6).

(i) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) Use of Estimates

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

(k) Subsequent Events

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

(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.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(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, 2016, \$624,019 of the Association's bank balance of \$1,124,014 was exposed to custodial credit risk as it was uninsured and uncollateralized.

(4) Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Association will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2016, the Association's entire investment portfolio balance of \$634,433 was exposed to custodial credit risk, as it was uninsured and uncollateralized. The Association's investments are 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). 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.

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

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

Level 2 - Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at June 30, 2016.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(4) Investments, Continued

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 Association 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.

The following table set forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2016:

	<u>Assets at Fair Value as of June 30, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
CUNY investment pool	\$ -	-	634,433	634,433
Money market	<u>28,796</u>	<u>-</u>	<u>-</u>	<u>28,796</u>
	\$ <u>28,796</u>	<u>-</u>	<u>634,433</u>	<u>663,229</u>

The following table summarizes the activity for financial instruments classified as Level 3 in 2016:

Balance at June 30, 2015	\$ 649,443
Dividends and interest income	3,314
Realized and unrealized loss	<u>(18,324)</u>
Balance at June 30, 2016	\$ <u>634,433</u>

(5) Capital Assets

At June 30, 2016 and 2015, capital assets consisted of the following:

	<u>2016</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 163,469	-	(4,962)	158,507
Less accumulated depreciation	<u>(131,126)</u>	<u>(19,621)</u>	<u>4,962</u>	<u>(145,785)</u>
Capital assets, net	\$ <u>32,343</u>	<u>(19,621)</u>	<u>-</u>	<u>12,722</u>
	<u>2015</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 160,471	2,998	-	163,469
Less accumulated depreciation	<u>(111,505)</u>	<u>(19,621)</u>	<u>-</u>	<u>(131,126)</u>
Capital assets, net	\$ <u>48,966</u>	<u>(16,623)</u>	<u>-</u>	<u>32,343</u>

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

(6) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College. The estimated fair values of facilities and salaries are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities for the years ended June 30, 2016 and 2015 amounted to the following:

	<u>2016</u>	<u>2015</u>
Professional services	\$ 265,162	247,271
Facilities	<u>3,016</u>	<u>3,596</u>
	\$ <u>268,178</u>	<u>250,867</u>

(7) Related Party Transactions

At June 30, 2016 and 2015, the Association owed \$156,006 and \$186,842, respectively, to other York College entities. The Association is occasionally required to transfer funds to/from other York College-related entities during the course of the year for payroll reimbursement and other costs, if any.

The Association has invested \$634,433 and \$649,443 as of June 30, 2016 and 2015, respectively, in the CUNY Investment Pool (note 4) which is under the control of the Committee, a related party.

(8) Deposits Held in Custody for Others

At June 30, 2016 and 2015, the Association held \$3,981 and \$4,840, 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.

(9) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 77 - "Tax Abatement Disclosures," is intended to improve financial reporting by providing users with information regarding the nature and magnitude of tax abatements, which is currently not required to be reported. The requirements of this statement are effective for periods beginning after December 15, 2015, which is the fiscal year beginning July 1, 2016 for the Association. This statement is not expected to have an effect on the financial statements of the Association.

YORK COLLEGE ASSOCIATION, INC.

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 78 - "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans." This statement, issued in December 2015 amends GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The provisions of this statement are effective for financial statements for years beginning after December 15, 2015, which is the fiscal year beginning July 1, 2016 for the Association. This statement is not expected to have an effect on the financial statements of the Association.

GASB Statement No. 80 - "Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14." This statement, issued in January 2016, amends the blending requirements for the financial statement presentation of component units of all state and local governments. It requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this statement are effective for financial statements for years beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Association. This statement is not expected to have an effect on the financial statements of the Association.

GASB Statement No. 81 - "Irrevocable Split-Interest Agreements." This statement, issued in March 2016, establishes accounting and reporting standards for irrevocable split-interest agreements with characteristics that are equivalent to irrevocable split-interest agreements in which a donor irrevocably transfers resources to an intermediary who administers these resources for the unconditional benefit of a government and at least one other beneficiary. The provisions of this statement are effective for financial statements for years beginning after December 15, 2016. For the Association, this statement becomes effective for the fiscal year beginning July 1, 2017. This statement is not expected to have an effect on the financial statements of the Association.

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

(9) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 82 - "Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73." This statement, issued in March 2016, addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Association, except for the requirements of this statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017, which is the fiscal year beginning July 1, 2017 for the Association. This statement is not expected to have an effect on the financial statements of the Association.