THE CITY COLLEGE STUDENT
SERVICES CORPORATION
(A Component Unit of the
City University of New York)

Financial Statements and
Supplementary Information

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

THE CITY COLLEGE STUDENT SERVICES CORPORATION
(A Component Unit of the City University of New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The City College Student Services Corporation
(A Component Unit of the City University of New York):

Report on the Financial Statements

We have audited the accompanying financial statements of The City College Student Services Corporation (A Component Unit of the City University of New York) (the Association) as of and for the years ended June 30, 2018 and 2017, and the 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 The City College Student Services Corporation (A Component Unit of the City University of New York) as of June 30, 2018 and 2017, 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 7 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 1, 2018

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of The City College Student Services Corporation's (A Component Unit of the City University of New York) (the Association) financial position as of June 30, 2018, 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 increased by $76,297 or 15%.
- Operating revenue increased by $153,117 or 6%.
- Operating expenses increased by $332,949 or 12%.

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, 2018 and 2017, under the accrual basis of accounting:

		2018	2017	Dollar change	Percent change
Current assets	$	677,306	572,580	104,726	18%
Current liabilities		87,864	59,435	28,429	48%
Net position - unrestricted	$	589,442	513,145	76,297	15%

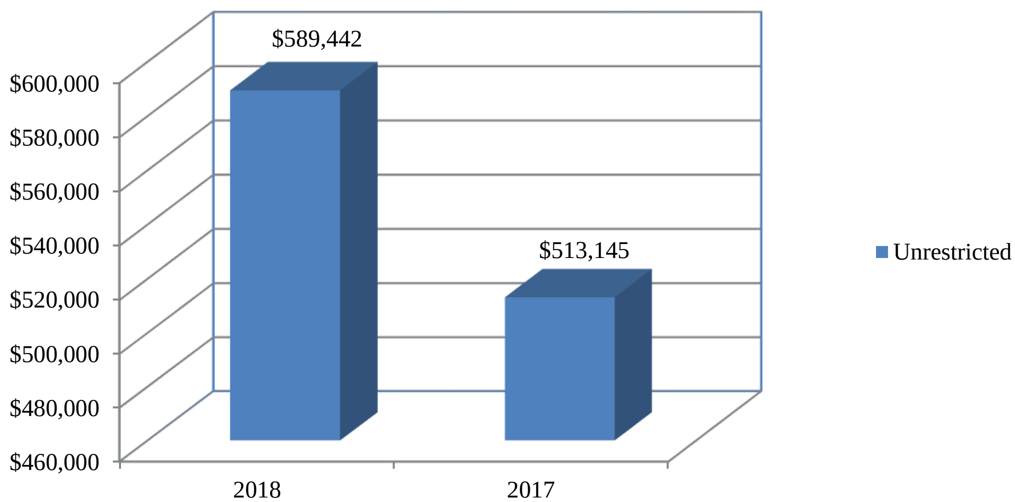
At June 30, 2018, the Association's total net position increased by $76,297 or 15%, compared to the previous year. The major components of this variance related to no capital assets being transferred to the College this year.

Current liabilities increased by $28,429 or 48%, compared to the previous year. The increase in current liabilities primarily resulted from the timing of payments to employees and vendors.

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, 2018 and 2017 by category:

Net Position



Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses. The major components of revenue and expenses for the years ended June 30, 2018 and 2017 are as follows:

Revenue

	2018	2017	Dollar change	Percent change
Operating revenue:				
Student activity fees	$ 1,346,273	1,348,405	(2,132)	(1%)
Donated space and services	1,575,422	1,417,854	157,568	11%
Other	5,245	7,564	(2,319)	(31%)
Total operating revenue	2,926,940	2,773,823	153,117	6%
Nonoperating revenue:				
Contributions and event ticket fees	247,452	35,016	212,436	607%
Interest income	1,450	821	629	77%
Total nonoperating revenue	248,902	35,837	213,065	595%
Total revenue	$ 3,175,842	2,809,660	366,182	13%

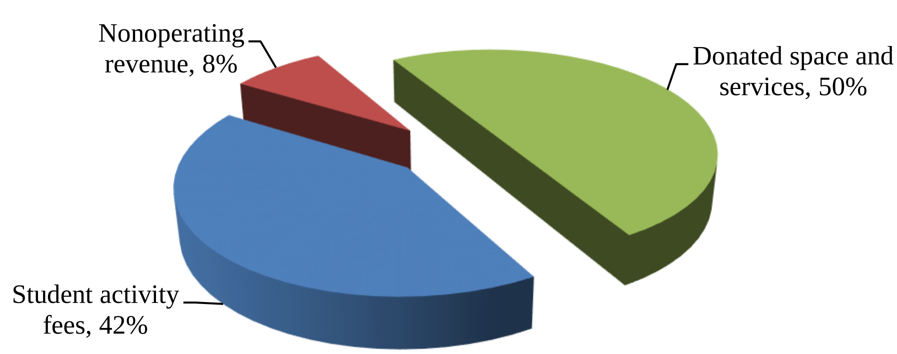
The Association's total revenue for the year ended June 30, 2018 amounted to $3,175,842, an increase of $366,182 or 13%, compared to the previous year. Most of this variance was attributable an increase of $157,568 in donated space and services due to an increase in the market rate for the donated space, and an increase in contributions of $212,436 for supporting the athletic teams.

Student activity fees represented 42% of total revenue and therefore, the Association is dependent on this level of support to carry out its operations.

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

The following illustrates the Association's revenue, by source, for the year ended June 30, 2018:

Revenue by Source



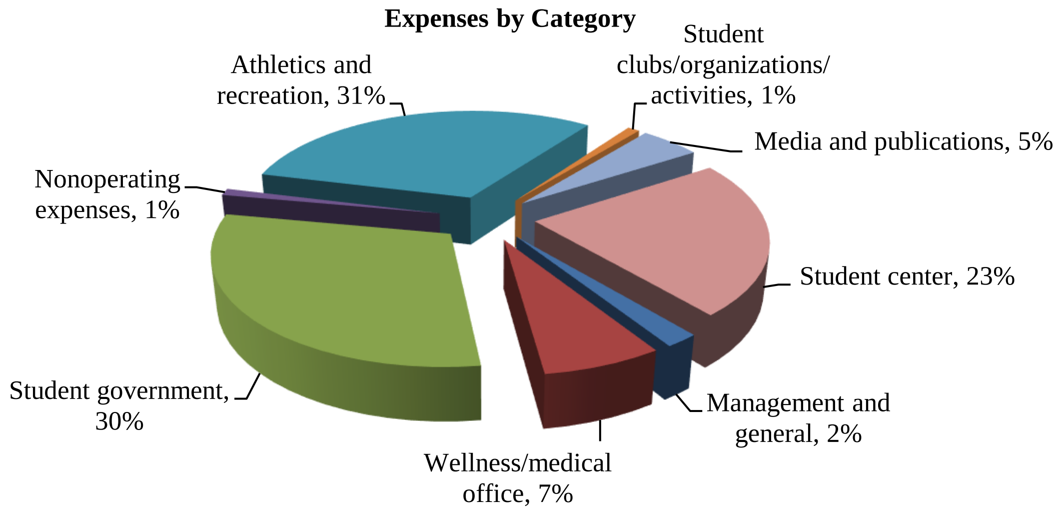
Expenses

	2018	2017	Dollar change	Percent change
Operating expenses:				
Student clubs/organizations/ activities	$ 28,031	54,181	(26,150)	(48%)
Student government	951,040	875,128	75,912	9%
Athletics and recreation	951,641	703,073	248,568	35%
Media and publications	164,186	160,435	3,751	2%
Student center	717,725	604,717	113,008	19%
Wellness/medical office	209,031	234,098	(25,067)	(11%)
Safety services	-	45,008	(45,008)	(100%)
Management and general	61,630	62,019	(389)	(1%)
Depreciation	-	11,676	(11,676)	(100%)
Total operating expenses	3,083,284	2,750,335	332,949	12%
Nonoperating expenses:				
College support	16,261	24,869	(8,608)	(35%)
Capital assets transferred to College	-	181,599	(181,599)	(100%)
Total expenses	$ 3,099,545	2,956,803	142,742	5%

Total expenses for the year ended June 30, 2018 were $3,099,545, an increase of $142,742 or 5% compared to the previous year. The major components of this variance were an increase in the expenditures relating to athletics and recreation due to participating more games and more special events; an increase in the expenditures relating to student center due to increasing the pay rates to the student assistants and paying an annual maintenance fee for a student service system, offset by no capital assets being transferred to the College during the current fiscal year.

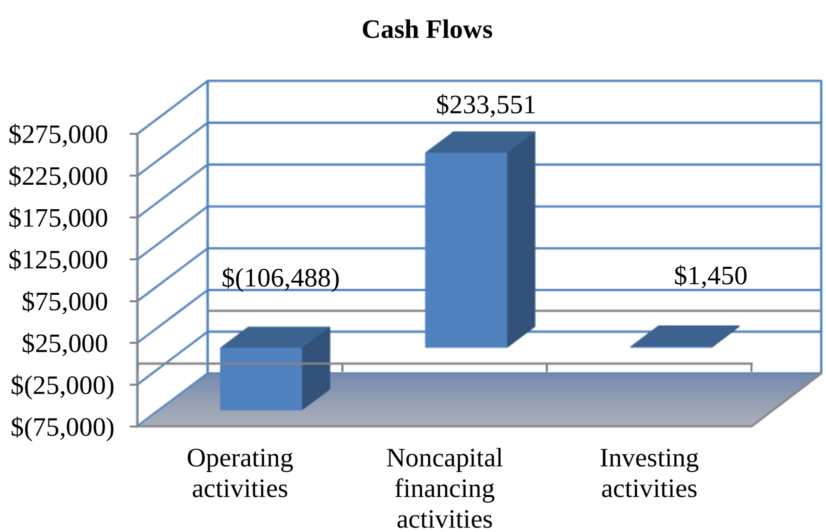
There were no other significant or unexpected changes in the Association's expenses.

The following illustrates the Association's expenses, by category, for the year ended June 30, 2018:



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, 2018:



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.

THE CITY COLLEGE STUDENT SERVICES CORPORATION
(A Component Unit of the City University of New York)
Statements of Net Position
June 30, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and equivalents (note 3)	$ 666,327	537,814
Prepaid expenses	10,979	34,766
Total assets	677,306	572,580
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	68,382	42,313
Other liabilities	19,482	17,122
Total current liabilities	87,864	59,435
Net Position		
Net position - unrestricted	$ 589,442	513,145

See accompanying notes to financial statements.

THE CITY COLLEGE STUDENT SERVICES CORPORATION
(A Component Unit of the City University of New York)
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2018 and 2017

	2018	2017
Operating revenue:		
Student activity fees (note 2(e))	$ 1,346,273	1,348,405
Donated space and services (note 5)	1,575,422	1,417,854
Other	5,245	7,564
Total operating revenue	2,926,940	2,773,823
Operating expenses:		
Student clubs/organizations/activities	28,031	54,181
Student government	951,040	875,128
Athletics and recreation	951,641	703,073
Media and publications	164,186	160,435
Student center	717,725	604,717
Wellness/medical office	209,031	234,098
Safety services	-	45,008
Management and general	61,630	62,019
Depreciation	-	11,676
Total operating expenses	3,083,284	2,750,335
Income (loss) from operations	(156,344)	23,488
Nonoperating revenue (expense):		
Contributions and event ticket fees	247,452	35,016
Interest income	1,450	821
College support	(16,261)	(24,869)
Capital assets transferred to College	-	(181,599)
Total nonoperating revenue (expense), net	232,641	(170,631)
Increase (decrease) in net position	76,297	(147,143)
Net position at beginning of year	513,145	660,288
Net position at end of year	$ 589,442	513,145

See accompanying notes to financial statements.

THE CITY COLLEGE STUDENT SERVICES CORPORATION
(A Component Unit of the City University of New York)
Statements of Cash Flows
Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	$ 1,346,273	1,348,405
Other	5,245	11,084
Cash payments to/for:		
Employees' salaries and benefits	(643,369)	(620,998)
Vendors	(814,637)	(807,275)
Net cash used in operating activities	(106,488)	(68,784)
Cash flows from noncapital financing activities:		
Contributions and event ticket fees	247,452	35,016
Other liabilities	2,360	12,541
College support	(16,261)	(24,869)
Net cash provided by noncapital financing activities	233,551	22,688
Cash flows provided by investing activities - interest income	1,450	821
Net increase (decrease) in cash and equivalents	128,513	(45,275)
Cash and equivalents at beginning of year	537,814	583,089
Cash and equivalents at end of year	$ 666,327	537,814

(Continued)

See accompanying notes to financial statements.

THE CITY COLLEGE STUDENT SERVICES CORPORATION
(A Component Unit of the City University of New York)
Statements of Cash Flows, Continued

	2018	2017
Reconciliation of income (loss) from operations to net cash used in operating activities:		
Income (loss) from operations	$ (156,344)	23,488
Adjustments to reconcile income (loss) from operations to net cash used in operating activities:		
Depreciation	-	11,676
Changes in:		
Receivables	-	3,520
Prepaid expenses	23,787	(22,797)
Accounts payable and accrued expenses	26,069	(84,671)
Net cash used in operating activities	$ (106,488)	(68,784)
Supplemental schedule of cash flow information:		
Donated space and services	$ 1,575,422	1,417,854
Donated facilities	1,161,312	1,081,652
Donated professional services	414,110	336,202
	$ 1,575,422	1,417,854
Disposal of fully depreciated equipment	$ 110,311	1,949
Capital assets transferred to College	$ -	181,599

See accompanying notes to financial statements.

(1) Nature of Organization

The City College Student Services Corporation (A Component Unit of the City University of New York) (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of the City College (the College) of the City University of New York (CUNY or the University). The Association was incorporated on April 25, 1978. The Association's revenue is derived primarily from student activity fees levied by a resolution of the board of trustees of the University and collected by the College.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

For financial reporting purposes, the Association is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Association's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted-non-expendable - Net position subjects to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted-expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Association or the passage of time.

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

At June 30, 2018, the Association had no restricted net position or net investment in capital assets.

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

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

(d) 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 assets. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of equipment is five years and the estimated useful life of building improvements is twenty-five years.

(e) Revenue Recognition

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

(f) Donated Space and Services

The Association operates on the campus of the College and utilizes facilities and equipment, as well as personnel 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 statements of revenue, expenses and changes in net position, based on the fair value of such facilities and services (note 5).

(g) 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.

(h) 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.

(i) Subsequent Events

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

(2) Summary of Significant Accounting Policies, Continued

(j) Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At times, the Association's cash and equivalents may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high credit quality financial institutions.

(4) Capital Assets

At June 30, 2018 and 2017, capital assets consisted of the following:

	2018			
	Beginning balance	Additions	Disposals	Ending balance
Building improvements	$ 110,311	-	(110,311)	-
Less accumulated depreciation	(110,311)	-	110,311	-
Capital assets, net	$ -	-	-	-

	2017			
	Beginning balance	Additions	Disposals	Ending balance
Equipment	$ 1,949	-	(1,949)	-
Building improvements	291,910	-	(181,599)	110,311
Less accumulated depreciation	(100,584)	(11,676)	1,949	(110,311)
Capital assets, net	$ 193,275	(11,676)	(181,599)	-

(5) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College at no cost. 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, 2018 and 2017 amounted to the following:

	2018	2017
Facilities	$ 1,161,312	1,081,652
Professional services	414,110	336,202
	$ 1,575,422	1,417,854

Facilities, which are shared between the Association and the other College entities, such as the gymnasium and other athletic space, are not recorded in the accompanying financial statements as neither the Association nor the College has a clearly determinable or objective basis for valuing such amounts.

(6) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 83 - “Certain Asset Retirement Obligations.” This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Governments that have legal obligations to perform certain future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning July 1, 2018 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 84 - “Fiduciary Activities.” This Statement, issued in January 2017, established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning July 1, 2019 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 87 - “Leases.” This Statement, issued in June 2017, increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

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

GASB Statement No. 88 - "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement, issued in April of 2018, requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning July 1, 2018 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 89 - "Accounting for Interest Cost Incurred Before the End of a Construction Period." This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning July 1, 2020 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

GASB Statement No. 90 - "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61." This Statement, issued in August 2018, seeks to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and sets parameters as to whether a majority equity interest is to be reported as an investment or component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning July 1, 2019 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.