DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS

Financial Statements and
Supplementary Information

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS

Table of Contents

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Doctoral and Graduate Students' Council of the City
University of New York - Graduate School and
University Center Fiduciary Accounts:

Report on the Financial Statements

We have audited the accompanying financial statements of Doctoral and Graduate Students' Council of the City University of New York - Graduate School and University Center Fiduciary Accounts (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 Doctoral and Graduate Students' Council of the City University of New York - Graduate School and University Center Fiduciary Accounts 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 Doctoral and Graduate Students' Council of the City University of New York - Graduate School and University Center Fiduciary Accounts' (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 $32,065 or 15.28%.
- Operating revenue decreased by $1,852 or 0.29%.
- Operating expenses decreased by $54,538 or 8.38%.

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
Total assets	$ 276,087	234,516	41,571	17.73%
Total liabilities	34,224	24,718	9,506	38.46%
Unrestricted net position	$ 241,863	209,798	32,065	15.28%

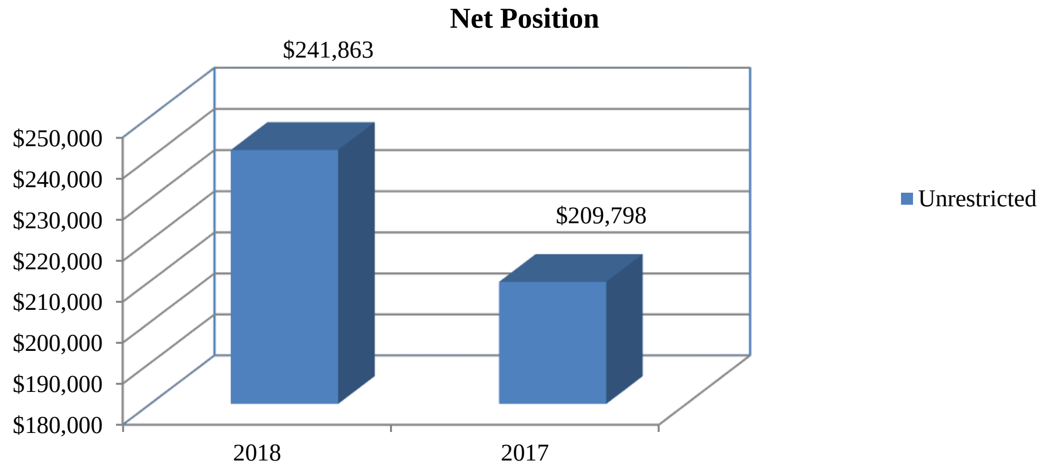
At June 30, 2018, the Association's total net position increased by $32,065 or 15.28%, compared to the previous year.

At June 30, 2018, the Association's total assets increased by $41,571 or 17.73%, compared to the previous year. The increase in total assets was due to an increase in cash caused by an overall reduction in expenses, as well as an increase in students' activity fee receivable from the college bursar.

At June 30, 2018, the Association's total liabilities increased by $9,506 or 38.46%, compared to the previous year. The increase in total liabilities was due to the timing of operating expense payments and students' activity fee unearned revenue.

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:



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, 2018 and 2017 are as follows:

Revenue

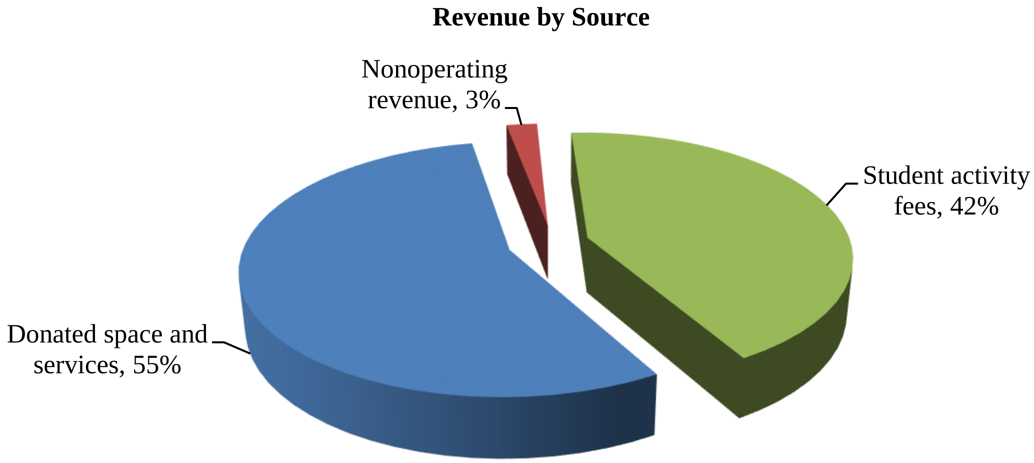
	2018	2017	Dollar change	Percent change
Operating revenue:				
Student activity fees	$ 277,590	292,190	(14,600)	(5.00%)
Donated space and services	361,842	349,094	12,748	3.65%
Total operating revenue	639,432	641,284	(1,852)	(0.29%)
Nonoperating revenue	14,177	31,040	(16,863)	(54.33%)
Total revenue	$ 653,609	672,324	(18,715)	(2.78%)

The Association's total revenue for the year ended June 30, 2018 amounted to $653,609, a decrease of $18,715 or 2.78%, compared to the previous year. The major component of this variance is related to a decrease in student activity fees.

Student activity fees represented approximately 42% and donated space and services represented 55% of total revenue and, accordingly, the Association is dependent upon this level of support to carry out its operations.

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

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



Expenses

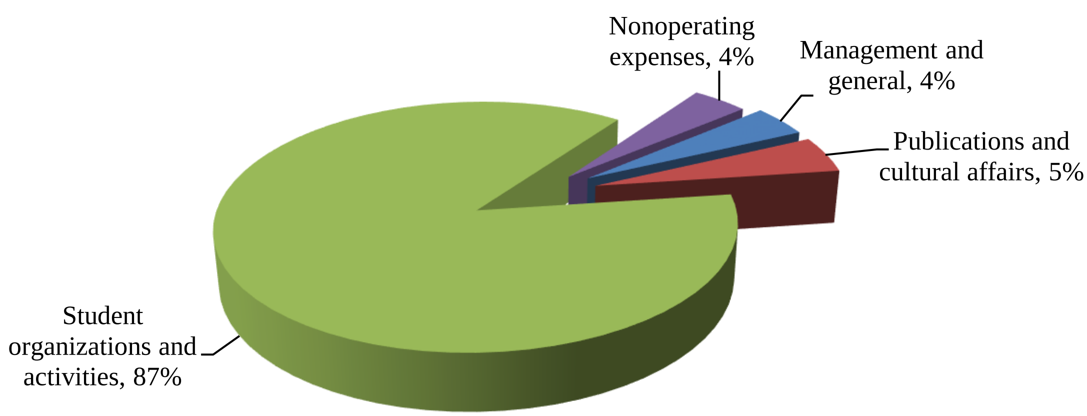
	2018	2017	Dollar change	Percent change
Operating expenses:				
Student organizations and activities	$ 539,080	545,156	(6,076)	(1.11%)
Medical center	1,365	45,132	(43,767)	(96.98%)
Management and general	25,814	19,013	6,801	35.77%
Publications and cultural affairs	29,996	41,492	(11,496)	(27.71%)
Total operating expenses	596,255	650,793	(54,538)	(8.38%)
Nonoperating expenses	25,289	12,958	12,331	95.16%
Total expenses	$ 621,544	663,751	(42,207)	(6.36%)

Total expenses for the year ended June 30, 2018 were $621,544, a decrease of $42,207 or 6.36%, compared to the previous year. The major component of this variance was due to medical center expense, as the Association did not hire nurse practitioner this fiscal year. Additionally, the spending on movie theater tickets has increased resulting in an increase of nonoperating expenses.

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

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

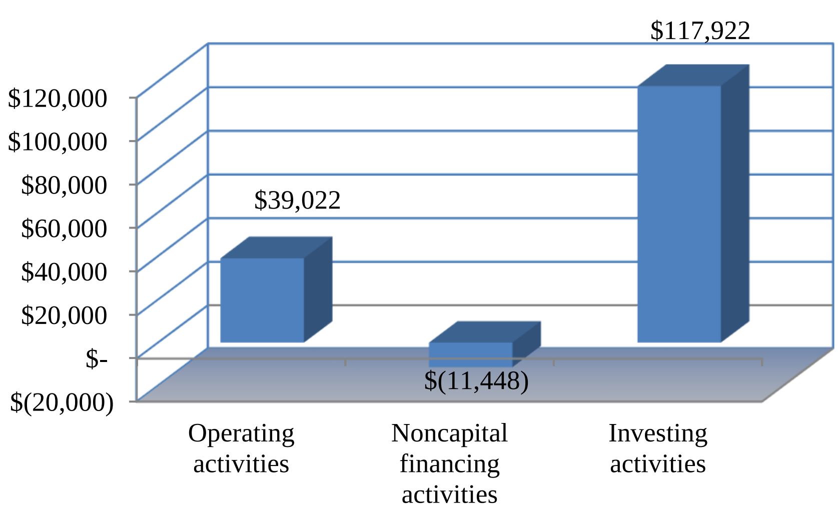
Expenses by Category



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:

Cash Flows



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.

DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS

Statements of Net Position

June 30, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and equivalents	$ 260,397	114,901
Short-term investments	-	117,586
Other assets	15,690	2,029
Total current assets	276,087	234,516
Liabilities		
Current liabilities - accounts payable and accrued expenses	34,224	24,718
Net Position		
Unrestricted	$ 241,863	209,798

See accompanying notes to financial statements.

DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS

Statements of Revenue, Expenses and Changes in Net Position

Years ended June 30, 2018 and 2017

	2018	2017
Operating revenue:		
Student activity fees	$ 277,590	292,190
Donated space and services	361,842	349,094
Total operating revenue	639,432	641,284
Operating expenses:		
Student organizations and activities	539,080	545,156
Medical center	1,365	45,132
Management and general	25,814	19,013
Publications and cultural affairs	29,996	41,492
Total operating expenses	596,255	650,793
Income (loss) from operations	43,177	(9,509)
Nonoperating revenue (expenses):		
Interest income	336	503
Other revenue	13,841	30,537
Other expenses	(25,289)	(12,958)
Total nonoperating revenue (expenses), net	(11,112)	18,082
Increase in net position	32,065	8,573
Net position at beginning of year	209,798	201,225
Net position at end of year	$ 241,863	209,798

See accompanying notes to financial statements.

DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS

Statements of Cash Flows

Years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash receipts from student activity fees	$ 277,590	292,190
Cash payments to vendors	(238,568)	(288,912)
Net cash provided by operating activities	39,022	3,278
Cash flows from noncapital financing activities:		
Cash receipts from noncapital sources	13,841	30,537
Cash payments to noncapital sources	(25,289)	(12,958)
Net cash provided by (used in) noncapital financing activities	(11,448)	17,579
Cash flows from investing activities:		
Interest income	336	503
Sales of investments	117,586	30,261
Net cash provided by investing activities	117,922	30,764
Net increase in cash and equivalents	145,496	51,621
Cash and equivalents at beginning of year	114,901	63,280
Cash and equivalents at end of year	$ 260,397	114,901
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	43,177	(9,509)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Other assets	(13,661)	291
Accounts payable and accrued expenses	9,506	12,496
Net cash provided by operating activities	$ 39,022	3,278
Supplemental schedule of cash flow information:		
Donated space and services revenue	$ 361,842	349,094
Donated facilities expense	309,880	309,880
Donated professional services expense	51,962	39,214
	$ 361,842	349,094

See accompanying notes to financial statements.

(1) Nature of Organization

The Doctoral and Graduate Students' Council of the City University of New York - Graduate School and University Center Fiduciary Accounts (the Association) is an entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of the Graduate Center (the School) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Directors of the University and collected by the School. While the Association is not a legal entity, the accompanying financial statements have been prepared on the basis of it being a separate entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

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

(b) Net Position

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

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

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

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

(2) Summary of Significant Accounting Policies, Continued

(b) Net Position, Continued

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 net investment in capital assets and 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.

(d) Investments

In fiscal 2018, the Association liquidated its certificates of deposit and transferred money into a new insured money market account (IMMA). At June 30, 2017 the fair value of the certificates of deposit was $117,586. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(e) 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 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 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.

(2) Summary of Significant Accounting Policies, Continued

(e) 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, 2018.

At June 30, 2017 certificates of deposits of $117,586 were Level 1 assets. All investments were sold and transferred to cash during the year ended June 30, 2018.

(f) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(g) 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.

(h) Donated Space and Services

The Association operates on the campus of the College and, utilizes office space and certain services made available to it as well as professional services of certain College employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such space and services (note 4).

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

(2) Summary of Significant Accounting Policies, Continued

(k) 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.

(3) Donated Space and Services

The Association utilizes certain facilities provided by the College at no cost. The estimated fair value of the donated office space, which is used solely by the Association, amounted to $309,880 for the years ended June 30, 2018 and 2017, respectively. Additionally, professional services were provided by certain College employees and amounted to $51,962 and $39,214 for the years ended June 30, 2018 and 2017, respectively. The donated space and services are included in both revenue and expenses in the accompanying statements of revenue, expenses and changes in net position.

(4) 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.

(4) 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.