

**STUDENT ACTIVITIES ASSOCIATION, INC.**  
**FY2021 Financial Statement Presentation**

**EXECUTIVE SUMMARY**

The College remained closed during fiscal year 2021 due to the Covid-19 pandemic. However, the campus closure did not prevent the Association (SAA) from developing innovative workshops, micro-internships, virtual events, conferences and esports programs to engage current students. Although there were decreases in expenditures for campus-driven activities for student clubs, athletics and recreation, and student life programs, there were increased spending in the graduation/ yearbook, and freshman orientation allocations. In particular, for two years the celebratory graduation exercise was not held. Promotional items, such as hoodies and imprinted items, and the yearbook were mailed to the graduating 2021 class. Various College paraphernalia were mailed to incoming freshmen and students attended a virtual orientation workshop. Further, student government presented a \$1.4m resolution to offer aid of \$100 to each eligible enrolled student for the Spring 2021 semester. All of these accomplishments contributed to the SAA's overall increase in expenses by \$1.2m or 40% over the prior fiscal year.

Despite the above, the SAA's net position increased by \$613k or 21% percent over the prior fiscal year. (Refer page 3, MD&A.) This increase was mainly due to an \$847k or 22% increase in revenue augmented by full time and part time undergraduate enrollment, and a receipt of \$427k in Higher Education Emergency Relief Funds (HEERF) from the University for lost revenue in the Spring 2020 semester. (Refer page 5, MD&A.) Recall, in Spring 2020, students received a 25% waiver on student activity fees. The increase in net position and \$2.9m brought forward from an accumulation of prior fiscal years' surpluses established the SAA's fiscal year end surplus of \$3.5m. (Refer pages 9 -10, MD&A.) This sizable surplus was mainly due to lack of spending for the last five months in fiscal year 2020, and the impact of the increase in student activity fees starting fiscal year 2017.

The SAA received an unmodified audit opinion, which means the financial statements is a fair presentation of the SAA's financial activity in accordance with generally accepted accounting principles (GAAP). The Management and Discussion Analysis (pages 3 – 8) in the appended financial report provides a detailed overview of the SAA's operating results for the fiscal year. It should be read in conjunction with the financial statements. In the Auditors' Report to the Board, the audit firm noted no significant findings and that management (or Accounting Office) provided all the information necessary to complete the audit. There were no disagreements between the auditors and Accounting (management).

The Table below explains the cash resources available for SAA operations at the end of the fiscal year. Refer Statements of Net Position, page 9 - 10, of the financial statements.

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<b>Analysis of Year-End Surplus and Available Cash</b>		
<b>Total Net Position/ Year-End Surplus</b>		<b>3,485,493</b>
<b>Less:</b>		
<b><sup>1</sup>Adjustments for:</b>		
Due from CUNY (Student Activity Fees)	(419,507)	
Prepaid Expenses and other assets	(4,169)	
Investments in capital assets	(57,891)	
Cash Loan Account	(95,882)	
Royalty income	(138,071)	
Items ordered but not received	(56,253)	(771,773)
<b>Surplus/ Cash Available June 30, 2021</b>		<b>2,713,720</b>
<b>Reconciliation of Cash/ Surplus</b>		
<b>Cash and Cash Equivalents June 30, 2021</b>		<b>3,815,978</b>
<b>Less:</b>		
<b><sup>2</sup>Liabilities</b>	(846,462)	
Cash Loan Account	(95,882)	
Royalty income	(138,071)	
Items ordered but not received	(56,253)	(1,136,668)
<b>Add:</b>		
<b><sup>3</sup>Due from Children's Center</b>		34,410
<b>Surplus/ Cash Available June 30, 2021</b>		<b>2,713,720</b>

1. Adjustments:

- a. Due from CUNY (Student Activity Fees) represent uncollected student activity fees as at June 30, 2021. Collection may span over several accounting periods and collection is undetermined, and, hence, is removed from the analysis of available surplus.
- b. Prepaid expenses and other assets represent an advanced payment of Directors' and Officers' insurance.
- c. Investments in capital assets is the residual balance of depreciated equipment purchased for Athletics.
- d. The Cash Loan account is used to issue emergency hardship loans to students via the Student Financial Aid Office.
- e. Royalty income is a board approved reserve divided among the following: Student Transition Programs (70%), Participatory allocations (20%), student emergency

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(10%). Participatory and student emergency allocations are prioritized by the SAA's board.

- f. Items ordered and not received are purchases made during the fiscal year that have not been delivered or invoiced.
  
2. Liabilities represent outstanding vendor payments, accrued payroll expense, annual leave accumulations, SAA contribution due to the Children's Center, an outstanding payment to the College for personnel, and legal services for Related Counsel due to CUNY.
  
3. Due from Children's Center represents a prior year payment for workmen's compensation and insurance paid by the SAA on the Center's behalf.

You can contact Mark Flower, Lisa-Marie Williams or me with questions at [mflower@jjay.cuny.edu](mailto:mflower@jjay.cuny.edu), [lwilliams@jjay.cuny.edu](mailto:lwilliams@jjay.cuny.edu) or [hcedeno@jjay.cuny.edu](mailto:hcedeno@jjay.cuny.edu).

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.  
Financial Statements and  
Supplementary Information  
June 30, 2021 and 2020  
(With Independent Auditors' Report Thereon)

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

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\* \* \* \* \*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
John Jay College of Criminal Justice  
Student Activities Association, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of John Jay College of Criminal Justice Student Activities Association, Inc. (the Association), as of and for the years ended June 30, 2021 and 2020, 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 John Jay College of Criminal Justice Student Activities Association, Inc. as of June 30, 2021 and 2020, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
September 30, 2021

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Management's Discussion and Analysis

June 30, 2021

The intent of management's discussion and analysis (MD&A) is to provide readers with a comprehensive overview of John Jay College of Criminal Justice Student Activities Association, Inc.'s (the Association) financial position as of June 30, 2021, 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 \$612,949 or 21%.
- Operating revenue increased by \$419,301 or 11%.
- Nonoperating revenue increased by \$426,870 or 100%.
- Operating expenses increased by \$1,168,291 or 42%.

**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, 2021 and 2020, under the accrual basis of accounting:

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 4,274,063	2,957,868	1,316,195	44%
Noncurrent assets	<u>57,891</u>	<u>81,386</u>	<u>(23,495)</u>	(29%)
Total assets	<u>4,331,954</u>	<u>3,039,254</u>	<u>1,292,700</u>	43%
Current liabilities	<u>846,461</u>	<u>166,710</u>	<u>679,751</u>	408%
Net position:				
Net investment in capital assets	57,891	81,386	(23,495)	(29%)
Unrestricted	<u>3,427,602</u>	<u>2,791,158</u>	<u>636,444</u>	23%
Total net position	\$ <u>3,485,493</u>	<u>2,872,544</u>	<u>612,949</u>	21%

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Management’s Discussion and Analysis, Continued

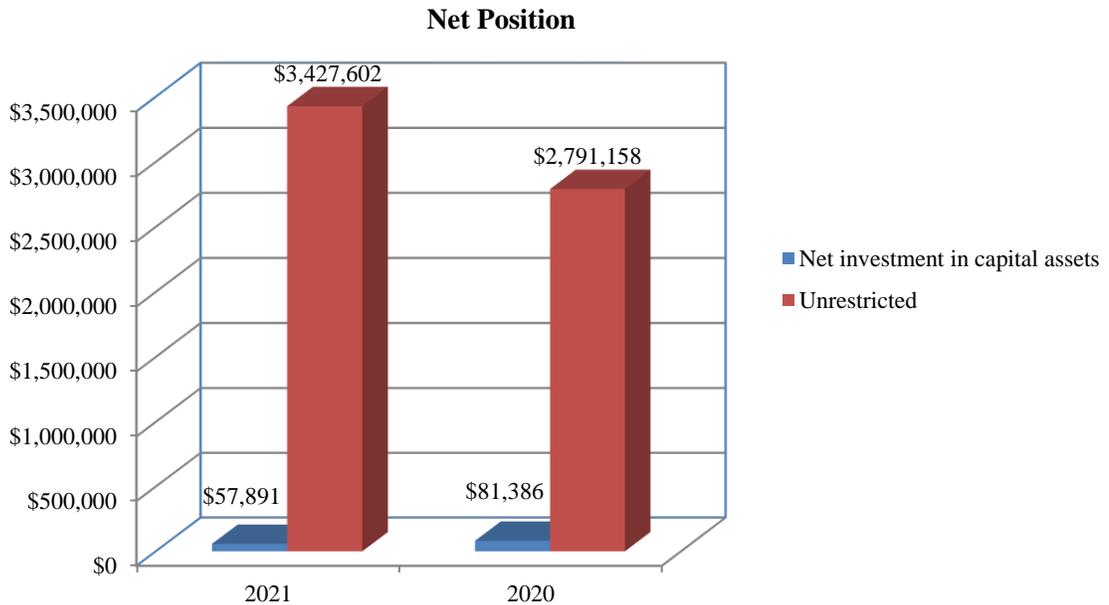
At June 30, 2021, the Association’s total net position increased by \$612,949 or 21% compared to the previous year. This is mainly due to increased revenue received from student activities fees and additional support for lost revenue provided by the City University of New York (CUNY or the University). This is explained in the statements of revenue, expenses and changes in net position below.

Current assets increased by \$1,316,195 or 44% at the end of the fiscal year, and was mainly improved by cash and equivalents by \$1,162,569 or 44% and due from related parties by \$168,965 or 59%.

Noncurrent assets decreased by \$23,495 or 29% by the normal depreciation charge in accordance with the CUNY’s asset management policy.

Total current liabilities increased by \$679,751 or 408%, due to the timing of payments at the end of the fiscal year. At year end, the Association owed its related parties \$517,450, namely, the Children’s Center, \$272,366 and the University \$245,084.

The following illustrates the Association’s net position at June 30, 2021 and 2020 by category:



JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES 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, 2021 and 2020 are as follows:

**Revenue**

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 4,074,750	3,622,812	451,938	12%
Donated space and services	103,972	105,442	(1,470)	(1%)
Other	<u>135,553</u>	<u>166,720</u>	<u>(31,167)</u>	(19%)
Total operating revenue	4,314,275	3,894,974	419,301	11%
Nonoperating revenue - CUNY support	<u>426,870</u>	-	<u>426,870</u>	100%
Total revenue	\$ <u>4,741,145</u>	<u>3,894,974</u>	<u>846,171</u>	22%

The Association's total revenue for the fiscal year ended June 30, 2021 was \$4,741,145, an increase of \$846,171 or 22% compared to the previous year. This increase was mainly due to increases in student activity fees by \$451,938 or 12% and CUNY support by \$426,870 or 100%. Enrollment is a factor in determining the amount of student activity fees the Association is entitled during the fiscal year. Although graduate enrollment decreased 2%, part-time undergraduate enrollment increased 19%, and full-time undergraduate enrollment increased marginally over the prior fiscal year, and, thus, supports the increase in student activity fees.

Donated space and services decreased by \$1,470 or 1% due to a reduction in the market rate for facility rentals from \$73 to \$67 per square feet.

Other operating revenue decreased by \$31,167 or 19% due to discontinued activities on campus that would generate additional income. The College was closed for the entire fiscal year. Additionally, during the fiscal year, the Association terminated its promotional sales operation.

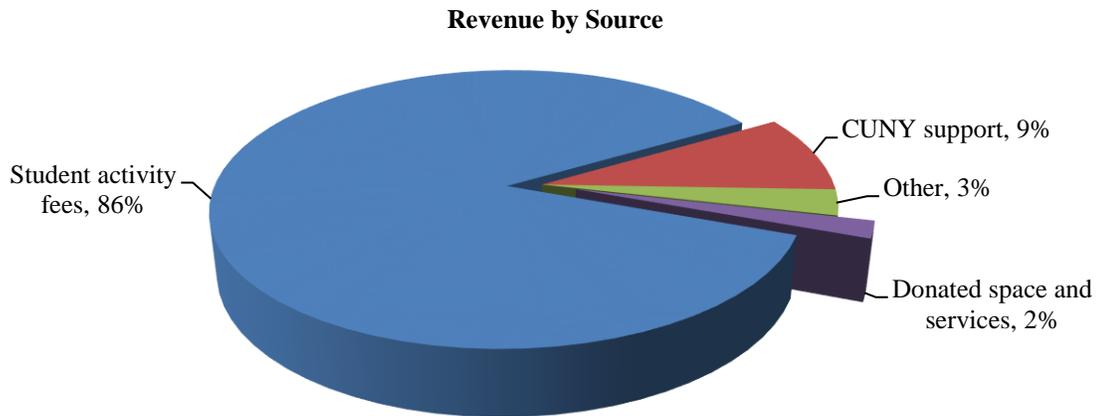
The Association's nonoperating revenue for the year ended June 30, 2021 was \$426,870, an increase of 100% compared to the previous year. The increase in nonoperating revenue is mainly due to additional support from CUNY.

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

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Management's Discussion and Analysis, Continued

The following illustrates the Association's revenue, by source, for the year ended June 30, 2021:



**Expenses**

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student clubs and organizations	\$ 67,075	198,187	(131,112)	(66%)
Student accident insurance	-	98,565	(98,565)	(100%)
Athletics and recreation	481,319	620,456	(139,137)	(22%)
Student government	167,412	238,243	(70,831)	(30%)
Graduation/yearbook	232,711	102,240	130,471	128%
Freshman orientation	98,451	74,167	24,284	33%
Student life	562,110	740,697	(178,587)	(24%)
Management and general	843,202	652,756	190,446	29%
Student aid	1,428,900	-	1,428,900	100%
Bad debts	24,123	11,500	12,623	110%
Depreciation	<u>23,495</u>	<u>23,696</u>	<u>(201)</u>	(1%)
Total operating expenses	3,928,798	2,760,507	1,168,291	42%
Nonoperating expense - College support	<u>199,398</u>	<u>194,780</u>	<u>4,618</u>	2%
Total expenses	\$ <u>4,128,196</u>	<u>2,955,287</u>	<u>1,172,909</u>	40%

Total expenses for the year ended June 30, 2021 were \$4,128,196, an increase of \$1,172,909 or 40% compared to the prior year. The Association's expenses are activity driven. An increase in programs and events on campus will result in an increase in expenditure and, vice versa. Despite the COVID-19 pandemic and in striving to yield the best value offered to students for each student activity dollar spent, the Association had to uncover more innovative approaches, such as micro-internships, virtual events and conferences and esports programs, to assist and engage current students.

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STUDENT ACTIVITIES ASSOCIATION, INC.

Management’s Discussion and Analysis, Continued

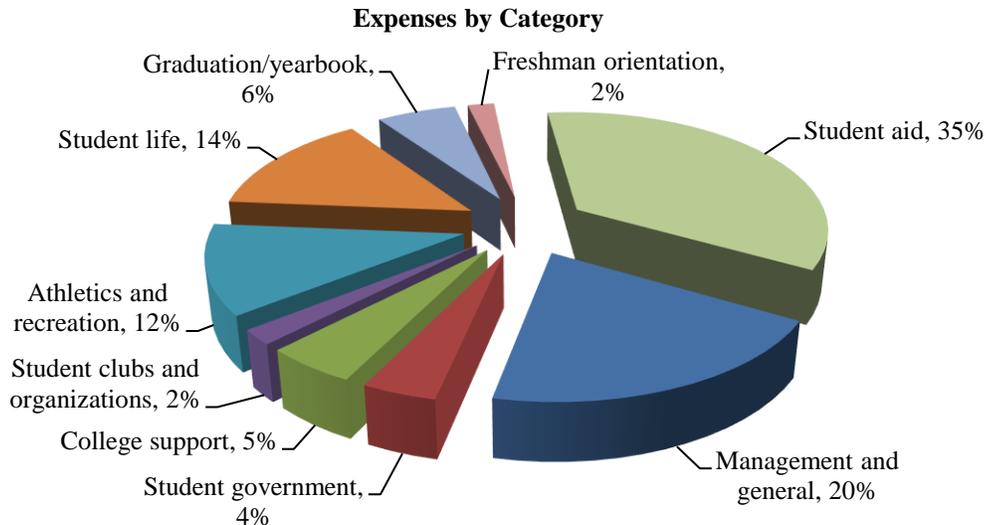
Note, although there were overall decreases in spending for allocations that require campus driven activities, graduation/yearbook and freshman orientation increased by \$130,471 or 128% and \$24,284 or 33%, respectively. In particular, for two years the celebratory in-person graduation exercise was not held. Individual graduation packets containing promotional hoodies and imprinted items celebrating the class of 2021, and the yearbook were mailed to each graduating student. For freshman orientation, promotional items were mailed to incoming students and students attended virtual orientation workshops. During the fiscal year, to assist with hardships, student government presented a resolution to offer \$100 to each eligible enrolled student for the Spring 2021 semester. This explains the increase in student aid by \$1,428,900 or 100%.

The following decreases are noted for allocations that require campus driven activities: student clubs and organizations by \$131,112 or 66%, student accident insurance by \$98,565 or 100%, athletics and recreation by \$139,137 or 22%, student government by \$70,831 or 30%, and student life by \$178,587 or 24%.

Management and general increased by \$190,446 or 29% due to filling vacancies for additional staff support and absorption of costs for related transactions. Bad debts increased by \$12,623 or 110% due to write-offs required as per the statute of limitations. Depreciation decreased by 201 or 1% due to the expiration of capital assets as per the University’s capital assets policy. Nonoperating - College support increased slightly by \$4,618 or 2% as a result of the student activity fees increase presented in revenue above.

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

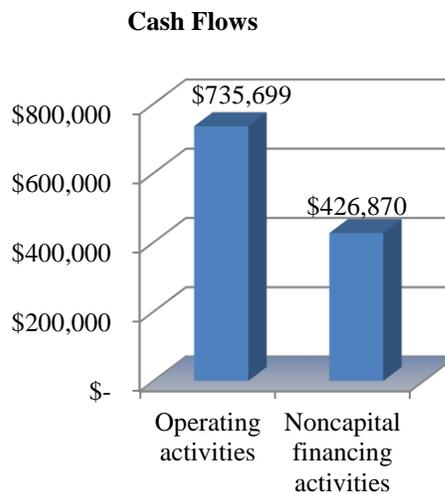
The following illustrates the Association’s expenses, by category, for the year ended June 30, 2021:



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STUDENT ACTIVITIES 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 fiscal 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, 2021:



**Economic Factors That May Affect the Future**

Student enrollment is directly related to the revenue earned by the Association to support activities. A significant decrease in enrollment will severely impact operations and is the major economic influence that would affect the future of the organization. Additionally, COVID-19 continues to affect the Association's operations.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.  
Statements of Net Position  
June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and equivalents	\$ 3,815,978	2,653,409
Due from related parties	453,916	284,951
Prepaid expenses and other assets	4,169	19,508
Current assets	4,274,063	2,957,868
Noncurrent assets - capital assets, net	57,891	81,386
Total assets	4,331,954	3,039,254
<u>Liabilities</u>		
Accounts payable and accrued expenses	329,011	58,007
Due to related parties	517,450	108,703
Total liabilities	846,461	166,710
<u>Net Position</u>		
Net investment in capital assets	57,891	81,386
Unrestricted	3,427,602	2,791,158
Total net position	\$ 3,485,493	2,872,544

See accompanying notes to financial statements.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Student activity fees, net of waivers	\$ 4,074,750	3,622,812
Donated space and services	103,972	105,442
Other	<u>135,553</u>	<u>166,720</u>
Total operating revenue	<u>4,314,275</u>	<u>3,894,974</u>
Operating expenses:		
Student clubs and organizations	67,075	198,187
Student accident insurance	-	98,565
Athletics and recreation	481,319	620,456
Student government	167,412	238,243
Graduation/yearbook	232,711	102,240
Freshman orientation	98,451	74,167
Student life	562,110	740,697
Management and general	843,202	652,756
Student aid	1,428,900	-
Bad debts	24,123	11,500
Depreciation	<u>23,495</u>	<u>23,696</u>
Total operating expenses	<u>3,928,798</u>	<u>2,760,507</u>
Income from operations	<u>385,477</u>	<u>1,134,467</u>
Nonoperating revenue (expenses):		
CUNY support	426,870	-
College support	<u>(199,398)</u>	<u>(194,780)</u>
Total nonoperating revenue (expenses)	<u>227,472</u>	<u>(194,780)</u>
Change in net position	612,949	939,687
Net position at beginning of year	<u>2,872,544</u>	<u>1,932,857</u>
Net position at end of year	<u>\$ 3,485,493</u>	<u>2,872,544</u>

See accompanying notes to financial statements.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Statements of Cash Flows  
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 3,935,092	3,640,023
Other	140,656	179,128
Cash payments to/for:		
Employees' salaries and benefits	(665,374)	(921,843)
Vendors	(1,191,653)	(1,794,487)
Other services	(1,483,022)	(11,500)
Net cash provided by operating activities	<u>735,699</u>	<u>1,091,321</u>
Cash flows from noncapital financing activities:		
CUNY support	426,870	-
College support	-	(129,924)
Net cash provided by (used in) noncapital financing activities	<u>426,870</u>	<u>(129,924)</u>
Cash flows from capital and related financing activities - capital assets acquired	-	(55,552)
Net change in cash and equivalents	1,162,569	905,845
Cash and equivalents at beginning of year	<u>2,653,409</u>	<u>1,747,564</u>
Cash and equivalents at end of year	<u>\$ 3,815,978</u>	<u>2,653,409</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	385,477	1,134,467
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	23,495	23,696
Changes in:		
Due to/from related parties, net	40,384	35,818
Prepaid expenses and other assets	15,339	2,279
Accounts payable and accrued expenses	271,004	(104,939)
Net cash provided by operating activities	<u>\$ 735,699</u>	<u>1,091,321</u>

See accompanying notes to financial statements.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Notes to Financial Statements

June 30, 2021 and 2020

(1) Nature of Organization

The John Jay College of Criminal Justice Student Activities Association, Inc. (the Association) is a nonprofit corporation created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of John Jay College of Criminal Justice (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Trustees of the University and collected by the College on the Association's behalf. 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 entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Association is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

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

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

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

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

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

At June 30, 2021 and 2020, the Association had no restricted net position.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

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

(d) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(e) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Association's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$5,000 or more for computer hardware and 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.

(f) Revenue Recognition

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

(g) Donated Space and Services

The Association 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 6).

(h) Functional Expenses

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

(i) Use of Estimates

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

JOHN JAY COLLEGE OF CRIMINAL JUSTICE  
STUDENT ACTIVITIES ASSOCIATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Subsequent Events

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

(k) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Association and its future results and financial position is not presently determinable.

(l) Income Taxes

The Association is exempt from 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 June 30, 2021, \$3,575,437 of the Association's bank balance of \$3,825,437 was exposed to custodial credit risk. At June 30, 2020, \$2,406,537 of the Association's bank balance of \$2,656,537 was exposed to custodial credit risk. The Association does not have a deposit policy.

(4) Capital Assets

Capital assets consist of the following at June 30, 2021 and 2020:

	<u>2021</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 137,657	-	-	137,657
Less accumulated depreciation	<u>(56,271)</u>	<u>(23,495)</u>	<u>-</u>	<u>(79,766)</u>
Capital assets, net	<u>\$ 81,386</u>	<u>(23,495)</u>	<u>-</u>	<u>57,891</u>

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Notes to Financial Statements, Continued

(4) Capital Assets, Continued

	2020			
	Beginning balance	Additions	Disposals	Ending balance
Equipment	\$ 82,105	55,552	-	137,657
Less accumulated depreciation	(32,575)	(23,696)	-	(56,271)
Capital assets, net	\$ <u>49,530</u>	<u>31,856</u>	<u>-</u>	<u>81,386</u>

(5) Related Party Transactions

During the years ended June 30, 2021 and 2020, the Association provided annual support of \$199,398 and \$169,780, respectively, to the Children's Center. In addition, at June 30, 2021 and 2020, the accompanying financial statements include outstanding payments due to the following:

	2021	2020
College - accounting services	\$ 40,000	30,000
College - campus office services	-	5,735
College - reimbursements	197,084	-
CUNY	8,000	-
Children's Center	<u>272,366</u>	<u>72,968</u>
	<u>\$ 517,450</u>	<u>108,703</u>

There were outstanding receipts due from related parties at June 30, 2021 and 2020 amounting to \$453,916 and \$284,951, respectively, for student loan repayments and outstanding student activity fees.

(6) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College. The estimated fair values of facilities and professional services amounted to \$103,972 and \$105,442 for the years ended June 30, 2021 and 2020, respectively, and are included in the accompanying statements of revenue, expenses and changes in net position. Facilities that are shared between the Association and other College entities, such as gymnasiums and other athletic space, are not recorded in the accompanying financial statements, as neither the Association nor the College has a clearly measurable or objective basis for determining such values.

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Notes to Financial Statements, Continued

(7) Pension Plan

The Association has nine full-time employees. Seven employees participated in the deferred contribution plan in fiscal year 2021 and 2020. Plan contributions were based on five and ten percent of gross earnings. For the years ended June 30, 2021 and 2020, plan contributions amounted to \$19,168 and \$17,951, respectively.

(8) 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. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.