

FACULTY STUDENT ASSOCIATION
OF DOWNSTATE MEDICAL CENTER, INC.
Financial Statements and
Supplementary Information
May 31, 2023 and 2022
(With Independent Auditors' Report Thereon)

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Faculty Student Association of Downstate
Medical Center, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Faculty Student Association of Downstate Medical Center, Inc. (the Association), which comprise the statements of financial position as of May 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faculty Student Association of Downstate Medical Center, Inc. as of May 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in Schedules 1 through 4 are presented for purposes of additional analysis of the financial statements, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 20, 2023

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.
Statements of Financial Position
May 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Assets:		
Cash and cash equivalents	\$ 299,838	419,394
Receivables	225,628	141,174
Due from SUNY	268,904	177,454
Prepaid expenses	8,620	450
Inventories	44,882	40,486
Investments	333,350	389,408
Assets held for others (student activity funds)	373,585	444,072
Assets held for others (trust and agency)	673,432	382,831
Security deposits	22,264	22,122
Furniture and equipment, net	<u>102,263</u>	<u>190,085</u>
Total assets	<u>\$ 2,352,766</u>	<u>2,207,476</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	622,443	545,500
Security deposits payable	22,264	22,122
Assets held for others (trust and agency)	<u>673,432</u>	<u>382,831</u>
Total liabilities	<u>1,318,139</u>	<u>950,453</u>
Net assets:		
Net assets without donor restrictions:		
Designated	783,023	800,755
Undesignated	<u>(62,867)</u>	<u>141,797</u>
Total net assets without donor restrictions	<u>720,156</u>	<u>942,552</u>
Net assets with donor restrictions:		
Purpose/time restricted	182,548	182,548
Perpetual in natural	<u>131,923</u>	<u>131,923</u>
Total net assets with donor restrictions	<u>314,471</u>	<u>314,471</u>
Total net assets	<u>1,034,627</u>	<u>1,257,023</u>
Total liabilities and net assets	<u>\$ 2,352,766</u>	<u>2,207,476</u>

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Statement of Activities

Year ended May 31, 2023

with comparative totals for 2022

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u> <u>2023</u>	<u>2022</u>
Support and revenue:				
Program revenue:				
Business office	\$ 89,694	-	89,694	138,077
Food service	29,337	-	29,337	9,168
University bookstore, net of cost of sales of \$106,586 in 2023 and \$158,266 in 2022	50,001	-	50,001	56,602
Vending machines	49,556	-	49,556	40,238
Laundry operations	25,080	-	25,080	25,080
Parking revenue	2,589,743	-	2,589,743	2,910,536
Miscellaneous subcontracted operations	10,000	-	10,000	10,000
Grant revenue - paycheck protection program	-	-	-	61,075
Student Activity Funds (SAF)	<u>587,476</u>	<u>-</u>	<u>587,476</u>	<u>443,905</u>
Total program revenue	<u>3,430,887</u>	<u>-</u>	<u>3,430,887</u>	<u>3,694,681</u>
Expenses:				
Program services	3,411,744	-	3,411,744	3,393,740
Management and general	<u>241,539</u>	<u>-</u>	<u>241,539</u>	<u>292,360</u>
Total expenses	<u>3,653,283</u>	<u>-</u>	<u>3,653,283</u>	<u>3,686,100</u>
Change in net assets	(222,396)	-	(222,396)	8,581
Net assets at beginning of year	<u>942,552</u>	<u>314,471</u>	<u>1,257,023</u>	<u>1,248,442</u>
Net assets at end of year	<u>\$ 720,156</u>	<u>314,471</u>	<u>1,034,627</u>	<u>1,257,023</u>

(Continued)

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Statement of Activities
Year ended May 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue:			
Program revenue:			
Business office	\$ 138,077	-	138,077
Food service	9,168	-	9,168
University bookstore, net of cost of sales of \$158,266	56,602	-	56,602
Vending machines	40,238	-	40,238
Laundry operations	25,080	-	25,080
Parking revenue	2,910,536	-	2,910,536
Miscellaneous subcontracted operations	10,000	-	10,000
Grant revenue - paycheck protection program	61,075	-	61,075
Student Activity Funds (SAF)	443,905	-	443,905
Net assets released from restrictions	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>
Total program revenue	<u>3,724,681</u>	<u>(30,000)</u>	<u>3,694,681</u>
Expenses:			
Program services	3,393,740	-	3,393,740
Management and general	<u>292,360</u>	<u>-</u>	<u>292,360</u>
Total expenses	<u>3,686,100</u>	<u>-</u>	<u>3,686,100</u>
Change in net assets	38,581	(30,000)	8,581
Net assets at beginning of year	<u>903,971</u>	<u>344,471</u>	<u>1,248,442</u>
Net assets at end of year	<u><u>\$ 942,552</u></u>	<u><u>314,471</u></u>	<u><u>1,257,023</u></u>

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.
Statement of Functional Expenses
Year ended May 31, 2023

	Program <u>services</u>	Management and <u>general</u>	<u>Total</u>
Personnel:			
Salaries	\$ 36,127	44,172	80,299
Payroll taxes and employee benefits	<u>18,735</u>	<u>19,543</u>	<u>38,278</u>
Total personnel costs	54,862	63,715	118,577
Other than personnel costs:			
Program and projects	414,199	-	414,199
Student organizations	161,441	-	161,441
Consultant	-	105,987	105,987
Legal fees	-	4,500	4,500
Audit fee	-	10,200	10,200
Insurance	-	16,984	16,984
Parking expenses	2,677,509	-	2,677,509
Bank fees	4,689	20,645	25,334
Office expense	5,101	14,842	19,943
Travel and conferences	-	433	433
Administration fee	7,964	-	7,964
Service improvements	70,768	-	70,768
Equipment	3,226	-	3,226
Computer expense	1,539	-	1,539
Office supplies	366	-	366
Laundry expense	10,080	-	10,080
Bad debt	-	4,177	4,177
Depreciation expense	<u>-</u>	<u>56</u>	<u>56</u>
Total expenses	<u>\$ 3,411,744</u>	<u>241,539</u>	<u>3,653,283</u>

(Continued)

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.
Statement of Functional Expenses
Year ended May 31, 2022

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Personnel:			
Salaries	\$ 48,831	42,432	91,263
Payroll taxes and employee benefits	<u>20,292</u>	<u>51,860</u>	<u>72,152</u>
Total personnel costs	69,123	94,292	163,415
Other than personnel costs:			
Program and projects	230,797	-	230,797
Student organizations	134,458	-	134,458
Yearbook expense	17,357	-	17,357
Consultant	-	111,383	111,383
Legal fees	-	9,400	9,400
Audit fee	-	9,000	9,000
Insurance	300	15,324	15,624
Parking expenses	2,901,955	-	2,901,955
Bank fees	5,869	30,355	36,224
Office expense	2,068	15,172	17,240
Laundry expense	10,080	-	10,080
Administration fee	7,332	-	7,332
Service improvements	13,684	-	13,684
Equipment	674	-	674
Office supplies	43	-	43
Other administrative expense	-	7,399	7,399
Depreciation expense	<u>-</u>	<u>35</u>	<u>35</u>
Total expenses	<u>\$ 3,393,740</u>	<u>292,360</u>	<u>3,686,100</u>

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Statements of Cash Flows

Years ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (222,396)	8,581
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	87,822	87,800
Grant revenue - paycheck protection program	-	(61,075)
Changes in:		
Receivables	(84,454)	375,484
Due from SUNY	(91,450)	(91,657)
Prepaid expenses	(8,170)	(450)
Inventories	(4,396)	6,006
Assets held for others (student activity funds)	70,487	(292,732)
Accounts payable and accrued expenses	<u>76,943</u>	<u>53,427</u>
Net cash provided by (used in) operating activities	(175,614)	85,384
Cash flows from investing activities - investment activity, net	<u>56,058</u>	<u>(1,885)</u>
Change in cash and cash equivalents	(119,556)	83,499
Cash and cash equivalents at beginning of year	<u>419,394</u>	<u>335,895</u>
Cash and cash equivalents at end of year	<u><u>\$ 299,838</u></u>	<u><u>419,394</u></u>

See accompanying notes to financial statements.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements

May 31, 2023 and 2022

(1) Organization

The Faculty Student Association of Downstate Medical Center, Inc. (the Association) is a non-profit corporation organized for the purposes of providing auxiliary services for the benefit of the campus community, under a contract with the State University of New York (SUNY).

The Association is supported primarily by administrative fees and program revenue of various operations including parking, university bookstore, vending machines, and other directly operated or subcontracted auxiliary service operations.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

(b) Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Association's governing board.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time.

(c) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(e) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management must make estimates of the uncollectibility of accounts receivable. Management specifically analyzes accounts receivable, historical bad debts and changes in payment trends when evaluating the adequacy of the allowance for doubtful accounts. Management has determined that an allowance for doubtful accounts was not deemed necessary at May 31, 2023 and 2022. Receivables are written-off when deemed uncollectible.

(f) Inventories

Inventories of bookstore items are stated at the lower cost or net realizable value. Cost is determined by the average cost method.

(g) Fair Value of Financial Instruments

The Association follows U.S. GAAP guidance on fair value measurements which defines fair value measurements and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

(h) Investments

Investments in all equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the statements of financial position. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

(i) Capitalization and Depreciation

Furniture and equipment are recorded at cost or fair market value at the date of the gift in the case of donated equipment. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of equipment are recorded as net assets without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which generally range from 3 to 10 years, using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expenses as incurred. Upon disposal of depreciable furniture and equipment, the appropriate furniture and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the accompanying statements of activities.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Revenue Recognition

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for these goods or services. The Association utilizes a five-step framework as identified in ASU No. 2014-09.

Revenue, comprised principally of sales, commissions and fees, is recognized upon sale or as earned.

Receivables from contracts with customers is as follows at May 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Receivables	\$ <u>225,628</u>	<u>126,354</u>	<u>501,838</u>

(k) Assets Held for Others

Student Activity Funds

The Association maintains Student Activity Funds of all campus Student Councils that are recognized as revenues and expenses of the Association, unlike the Trust and Agency Funds noted below. At May 31, 2023 and 2022, these student activity funds totaling \$373,585 and \$444,072, respectively, are held in cash accounts.

Trust and Agency Funds

The Association also maintains funds that are not funds of the State of New York or SUNY, for organizations which have a relationship with SUNY in a custodial or fiscal agent capacity for the benefit of appropriately recognized organizations and activities of individual students, faculty or staff members, for which the Association has a fiduciary responsibility to ensure the funds are maintained and used in accordance with the approved account purpose. Activities of the Trust and Agency Funds are recognized as an asset and offsetting liability on the Association's accompanying statements of financial position. At May 31, 2023 and 2022, these funds totaling \$673,432 and \$382,831, respectively, are held in cash accounts and certificates of deposit. Certificates of deposit are valued at cost plus accrued interest which approximates fair value.

(l) Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU No. 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These financial statements and notes reflect retroactive adoption of this new standard.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(l) Contributed Nonfinancial Assets, Continued

Contributed services meeting the requirements for recognition in the financial statements were not material and have not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Association.

(m) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Association. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(n) 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.

(o) 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.

(3) Liquidity

The Association has \$794,370 of financial assets available within one year of the statement of financial position date consisting of \$299,838 of cash and cash equivalents and \$494,532 of receivables (including amounts due from SUNY). None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

(4) Investments

The following are investments measured at fair value (Level 2) at May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Certificates of deposit	\$ <u>333,350</u>	<u>389,408</u>

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(5) Furniture and Equipment

A summary of furniture and equipment at May 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Furniture	\$ 54,550	54,550
Equipment	87,560	87,560
Garagenet valet equipment	291,528	291,528
Other parking	<u>147,300</u>	<u>147,300</u>
	580,938	580,938
Less accumulated depreciation	<u>(478,675)</u>	<u>(390,853)</u>
Total furniture and equipment	\$ <u>102,263</u>	<u>190,085</u>

Depreciation expense for the years ended May 31, 2023 and 2022 amounted to \$87,822 and \$87,800, respectively.

(6) Grant Revenue - Paycheck Protection Program

In 2021, the Association received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$61,075 with a 1% interest rate.

Pursuant to the terms of the CARES Act rules and regulations, the Association applied for the loan to be forgiven by the SBA. The Association was notified by the SBA that the original loan has been forgiven in its entirety and, accordingly, has recorded loan forgiveness/grant revenue of \$61,075 for the year ended May 31, 2022.

(7) Related Party Transactions

(a) Office Management Services

The Association and The Health Science Center of Brooklyn Foundation, Inc. (HSCBF) have an agreement which expired on July 31, 2022. Expenses paid by the Association and reimbursed by HSCBF were \$142,651 and \$64,852 in 2023 and 2022, respectively. This agreement is adjusted at the end of each fiscal year to reflect current operations and is based on providing a balanced budget for the Association. At May 31, 2022, the amount due from HSCBF amounted to \$104,112. This contract was not renewed.

(b) Parking

The Association reimburses HSCBF for certain parking related expenses. For the years ended May 31, 2023 and 2022 parking reimbursement due to HSCBF totaling \$186,082 and \$131,286, respectively, are included in accounts payable and accrued liabilities of the accompanying statements of financial position.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(8) Net Assets Without Donor Restrictions

The Board of Directors has designated net assets without donor restrictions for the following purposes at May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Designated for capital assets	\$ 102,263	93,809
Designated for operating reserves	307,175	262,874
Board designated for student activity funds	<u>373,585</u>	<u>444,072</u>
Total	\$ <u>783,023</u>	<u>800,755</u>

(9) Net Assets With Donor Restrictions

Net assets with donor restrictions for the following purposes at May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Department support	\$ 156,499	156,499
Student research	78,740	78,740
Lectures	64,352	64,352
Library support	<u>14,880</u>	<u>14,880</u>
Total	\$ <u>314,471</u>	<u>314,471</u>

(10) Functional Expenses

The Association provides auxiliary services for the benefit of the campus. All expenses related to providing these services have been allocated to program services with the exception of certain administrative expenses. Salaries and benefits are allocated among programs and support services based on time and effort. Office and other expenses are allocated based on direct usage.

(11) Retirement Benefits

The Association's has a contributory defined contribution pension plan for all full-time employees and part time employees who work 18.75 hours or more per week. Employer contributions are based on 9% of gross salary up to \$26,000 and 12% thereafter. Pension expense was \$9,136 and \$7,170 for the years ended May 31, 2023 and 2022, respectively.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Notes to Financial Statements, Continued

(12) Endowment Net Assets

The Association's endowment includes donor restricted funds to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Association classifies as net assets with donor restrictions (a) the original value of gifts donated to permanent endowments, (b) the original value of any subsequent gifts to permanent endowments, and (c) accumulations to the permanently restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Effective in September 2010, New York State modified its law governing the management and investment of charitable gifts by adopting the NYPMIFA. NYPMIFA moves away from the "historic dollar value" standards and permits charities to apply a spending policy to endowments based on certain specified standards of prudence.

In accordance with NYPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

1. The duration and preservation of the fund.
2. The purposes of the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Association.
7. Alternatives to expenditure of the endowment fund.
8. The investment policies of the Association.

Investment Return Objectives, Risk Parameters and Strategies - The Association has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

Spending Policy - The Board of Directors of the Association will determine from time to time the amount available for expenditure from the donor-restricted endowment funds.

Endowment net assets at May 31, 2023 and 2022 amounted to \$131,923.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.
Schedule of Revenue and Expenses
Year ended May 31, 2023
with comparative totals for 2022

	<u>Business office</u>	<u>Food service</u>	<u>University bookstore</u>	<u>Vending machines</u>	<u>Laundry operations</u>	<u>Student health insurance</u>	<u>Parking</u>	<u>Student activity fund</u>	<u>Total</u>	
									<u>2023</u>	<u>2022</u>
Revenue:										
Sales	\$ -	-	155,785	-	-	-	-	-	155,785	214,056
Cost of goods sold	-	-	(106,586)	-	-	-	-	-	(106,586)	(158,266)
Commissions	3,354	29,337	-	49,556	25,080	10,000	-	-	117,327	87,676
Service fees - trust and agency accounts	5,766	-	-	-	-	-	-	-	5,766	5,905
Service fees - student activity fund accounts	7,964	-	-	-	-	-	-	-	7,964	451,237
Student activity funds revenue	-	-	-	-	-	-	-	587,476	587,476	-
Miscellaneous	1,909	-	802	-	-	-	-	-	2,711	36,031
Subsidy from HSCBF	39,260	-	-	-	-	-	-	-	39,260	64,852
Salary recovery	25,681	-	-	-	-	-	-	-	25,681	21,579
Grant revenue - paycheck protection program	-	-	-	-	-	-	-	-	-	61,075
Other income	5,760	-	-	-	-	-	-	-	5,760	-
Parking revenue	-	-	-	-	-	-	2,589,743	-	2,589,743	2,910,536
Total revenue	89,694	29,337	50,001	49,556	25,080	10,000	2,589,743	587,476	3,430,887	3,694,681
Expenses:										
Direct expenses:										
Salaries, payroll taxes and employee benefits	63,715	-	54,861	-	-	-	-	-	118,576	163,415
Supplies	14,842	-	-	-	-	-	-	-	14,842	17,240
Insurance	16,984	-	-	-	-	-	-	-	16,984	15,624
Bank fees	20,645	-	4,689	-	-	-	-	-	25,334	36,224
Parking expenses	-	-	-	-	-	-	2,677,509	-	2,677,509	2,901,955
Other	125,353	-	6,630	-	10,080	-	-	657,975	800,038	551,642
Total direct expenses	241,539	-	66,180	-	10,080	-	2,677,509	657,975	3,653,283	3,686,100
Allocation of administrative expenses	(103,893)	29,337	-	49,556	15,000	10,000	-	-	-	-
Total expenses	137,646	29,337	66,180	49,556	25,080	10,000	2,677,509	657,975	3,653,283	3,686,100
Change in net assets without donor restrictions	\$ (47,952)	-	(16,179)	-	-	-	(87,766)	(70,499)	(222,396)	8,581

Note:

The change in net assets without donor restrictions relating to parking in the amount of \$(87,766) represents current year depreciation related to capitalized parking assets.

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Schedule of General and Administrative Expenses

Years ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Salaries, payroll taxes and employee benefits	\$ 63,715	94,292
Office supplies and expenses	14,842	15,172
Insurance	16,984	15,324
Professional fees	120,687	129,783
Travel and conferences	432	-
Bank fees	20,645	30,355
Other administrative expense	-	7,399
Bad debt	4,177	-
Depreciation	<u>57</u>	<u>35</u>
Total expenses	<u>\$ 241,539</u>	<u>292,360</u>

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Schedule of Net Assets Without Restrictions

May 31, 2023 and 2022

	Year ended May 31, 2023			
	Balance May 31, <u>2022</u>	Excess of support and revenue <u>over expenses</u>	<u>Transfers</u>	Balance May 31, <u>2023</u>
Undesignated	\$ 141,797	-	(204,664)	(62,867)
Designated:				
Capital assets	93,809	-	8,454	102,263
Working capital	262,874	-	44,301	307,175
Student activity funds	<u>444,072</u>	<u>-</u>	<u>(70,487)</u>	<u>373,585</u>
Total designated	<u>800,755</u>	<u>-</u>	<u>(17,732)</u>	<u>783,023</u>
Total net assets without restrictions	<u>\$ 942,552</u>	<u>-</u>	<u>(222,396)</u>	<u>720,156</u>
	Year ended May 31, 2022			
	Balance May 31, <u>2021</u>	Excess of support and revenue <u>over expenses</u>	<u>Transfers</u>	Balance May 31, <u>2022</u>
Undesignated	\$ 44,587	-	97,210	141,797
Designated:				
Capital assets	181,539	-	(87,730)	93,809
Working capital	273,033	-	(10,159)	262,874
Student activity funds	<u>404,812</u>	<u>-</u>	<u>39,260</u>	<u>444,072</u>
Total designated	<u>859,384</u>	<u>-</u>	<u>(58,629)</u>	<u>800,755</u>
Total net assets without restrictions	<u>\$ 903,971</u>	<u>-</u>	<u>38,581</u>	<u>942,552</u>

SUNY Appropriated Equity Guidelines

1. Net fixed assets should be at 100% of actual equal to the original cost of corporation-owned less accumulated depreciation and any related notes payable.
2. Unappropriated funds are to be used to establish working capital equal to two to three times current liabilities, exclusive of funds held in trust.

Schedule 4

FACULTY STUDENT ASSOCIATION OF DOWNSTATE MEDICAL CENTER, INC.

Schedule of Student Activities Fund

Years ended May 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 373,585	444,072
<u>Net Assets</u>		
Net assets without donor restriction:	373,585	444,072
Revenue:		
Student activity fees	312,680	310,929
Special events	89,727	48,733
Contributions and donations	185,069	84,243
Total revenue	587,476	443,905
Expenses:		
Management and general	7,964	7,332
Service improvements	70,768	28,684
Equipment	3,226	3,674
Insurance	-	300
Office supplies	366	43
Program and projects	413,817	253,759
Yearbook expense	-	17,357
Student organizations	161,822	93,496
Total expenses	657,963	404,645
Change in net assets without donor restrictions	(70,487)	39,260
Net assets without donor restrictions at beginning of year	444,072	404,812
Net assets without donor restrictions at end of year	\$ 373,585	444,072

See accompanying notes to financial statements.