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, 2011 and 2010
(With Independent Auditors' Report Thereon)
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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:

We have audited the accompanying statement of net assets of Doctoral and Graduate Students’ Council of the City University of New York - Graduate School and University Center Fiduciary Accounts (the Association) as of June 30, 2011, and the related statements of revenue, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Association as of June 30, 2010 were audited by other auditors, whose report dated February 9, 2011 expressed an unqualified opinion on those statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial 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, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 6 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 event. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the
information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Toski, Schauf & Co. P.C.

Williamsville, New York
September 29, 2011
The intent of management’s discussion and analysis (MD&A) is to provide readers with a comprehensive overview of the 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, 2011, and changes in its net assets 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 assets increased by $1,470 or 1%.
- Operating revenue increased by $67,038 or 11%.
- Operating expenses increased by $49,851 or 7%.

Financial Position

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

Statements of Net Assets

The following summarizes the Association’s assets, liabilities, and net assets as of June 30, 2011 and 2010, under the accrual basis of accounting:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Dollar change</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$187,792</td>
<td>193,170</td>
<td>(5,378)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$3,257</td>
<td>10,105</td>
<td>6,848</td>
<td>(68%)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$184,535</td>
<td>183,065</td>
<td>1,470</td>
<td>1%</td>
</tr>
</tbody>
</table>

At June 30, 2011, the Association’s total net assets increased by $1,470 or 1%, compared to the previous year.

At June 30, 2011, the Association’s total liabilities decreased by $6,848 or 68%, compared to the previous year. The decrease in total liabilities was due to the timing of operating expense payments.

There were no other significant or unexpected changes in the Association’s assets and liabilities.
DOCTORAL AND GRADUATE STUDENTS’ COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
AND UNIVERSITY CENTER FIDUCIARY ACCOUNTS
Management’s Discussion and Analysis, Continued

The following illustrates the Association’s net assets at June 30, 2011 and 2010 by category:

![Net Assets Graph](image)

**Statements of Revenue, Expenses and Changes in Net Assets**

The statements of revenue, expenses and changes in net assets 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, 2011 and 2010, are as follows:

**Revenue**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Dollar change</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student activity fees</td>
<td>$376,480</td>
<td>375,482</td>
<td>998</td>
<td>1%</td>
</tr>
<tr>
<td>Donated space and services</td>
<td>331,002</td>
<td>264,962</td>
<td>66,040</td>
<td>25%</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>707,482</td>
<td>640,444</td>
<td>67,038</td>
<td>11%</td>
</tr>
<tr>
<td>Nonoperating revenue</td>
<td>9,245</td>
<td>21,887</td>
<td>(12,642)</td>
<td>(58%)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$716,727</td>
<td>662,331</td>
<td>54,396</td>
<td>8%</td>
</tr>
</tbody>
</table>

The Association’s total revenue for the year ended June 30, 2011 amounted to $716,727, an increase of $54,396 or 8%, compared to the previous year. The major component of this variance is related to the increase in market rate of donated space.

Student activity fees represented approximately 53% and donated space and services represented 46% of total revenue and, accordingly, the Association is dependent upon this level of support to carry out its operations.

Nonoperating revenue decreased by $12,642 due to the reversal of an accrual in 2010, which was not necessary in 2011.
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, 2011:

Expenses

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Dollar change</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student organizations and activities</td>
<td>$532,729</td>
<td>471,718</td>
<td>61,011</td>
<td>13%</td>
</tr>
<tr>
<td>Medical center</td>
<td>107,370</td>
<td>110,227</td>
<td>(2,857)</td>
<td>(3%)</td>
</tr>
<tr>
<td>Management and general</td>
<td>37,944</td>
<td>48,345</td>
<td>(10,401)</td>
<td>(22%)</td>
</tr>
<tr>
<td>Publications and cultural affairs</td>
<td>37,214</td>
<td>35,116</td>
<td>2,098</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>$715,257</strong></td>
<td><strong>665,406</strong></td>
<td><strong>49,851</strong></td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>

Total expenses for the year ended June 30, 2011 were $715,257, a increase of $49,851 or 8%, compared to the previous year. The major component of this variance was related to the increase in market rate of donated space.

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, 2011:

**Expense Category**

- **Student organizations and activities**, 75%
- **Management and general**, 5%
- **Medical center**, 15%
- **Publications and cultural affairs**, 5%

**Cash Flows**

The statements of cash flows provide 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, 2011:

**Cash Flows**

- **Operating activities**: $(14,049)
- **Noncapital financing activities**: $8,809
- **Investing activities**: $436

**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 Assets
June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$30,599</td>
<td>35,403</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>147,754</td>
<td>147,754</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $1,620 in 2011 and 2010</td>
<td>9,091</td>
<td>9,906</td>
</tr>
<tr>
<td>Other assets</td>
<td>348</td>
<td>107</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$187,792</strong></td>
<td><strong>193,170</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities - accounts payable and accrued expenses</td>
<td>$3,257</td>
<td>10,105</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td><strong>$184,535</strong></td>
<td><strong>183,065</strong></td>
</tr>
</tbody>
</table>

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 Assets
Years ended June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
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<td>Publications and cultural affairs</td>
<td>37,214</td>
<td>35,116</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>715,257</td>
<td>665,406</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(7,775)</td>
<td>(24,962)</td>
</tr>
<tr>
<td>Nonoperating revenue - interest and other nonoperating revenue</td>
<td>9,245</td>
<td>21,887</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>1,470</td>
<td>(3,075)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>183,065</td>
<td>186,140</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$184,535</td>
<td>183,065</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
DOCTORAL AND GRADUATE STUDENTS' COUNCIL OF
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Statements of Cash Flows
Years ended June 30, 2011 and 2010

Cash flows from operating activities:

Cash receipts from student activity fees $ 377,055 372,801
Cash payments to vendors (391,104) (398,398)

Net cash used in operating activities (14,049) (25,597)

Cash flows from noncapital financing activities - cash receipts from noncapital sources 8,809 20,776

Cash flows from investing activities:

Interest income 436 1,111
Purchase of investments - (147,754)

Net cash provided by (used in) investing activities 436 (146,643)

Net decrease in cash and equivalents (4,804) (151,464)
Cash and equivalents at beginning of year 35,403 186,867
Cash and equivalents at end of year $ 30,599 35,403

Reconciliation of loss from operations to net cash used in operating activities:

Loss from operations (7,775) (24,962)
Adjustments to reconcile loss from operations to net cash used in operating activities - changes in:

Accounts receivable 815 (2,681)
Other assets (241) 362
Accounts payable and accrued expenses (6,848) 1,684

Net cash used in operating activities $ (14,049) (25,597)

See accompanying notes to financial statements.
DOCTORAL AND GRADUATE STUDENTS’ COUNCIL OF
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL
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Notes to Financial Statements
June 30, 2011 and 2010

(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 Director’s 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

The Association’s accounting policies conform to accounting principles generally accepted in United States of America (GAAP), applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as Financial Accounting Standards Boards (FASB) statements and interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those requirements conflict with or contradict GASB pronouncements.

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

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

- GASB Statement No. 34 - “Basic Financial Statements and Management’s Discussion and Analysis - for State and Local Governments.” This statement establishes the presentation format for general-purpose governments and requires that the financial statements consist of management’s discussion and analysis, basic financial statements and required supplementary information.
(2) Summary of Significant Accounting Policies, Continued

- GASB Statement No. 35 - “Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities.” This statement establishes accounting and financial reporting standards for public colleges and universities and their component units within the financial reporting guidelines of GASB Statement No. 34. In accordance with this statement, the Association presents a statement of net assets; a statement of revenue, expenses and changes in net assets; and a statement of cash flows. The objectives of this statement are to enhance the understandability and usefulness of the external reports issued by public colleges and universities and their component units.

- GASB Statement No. 37 - “Basic Financial Statements - and Management’s Discussion and Analysis for State and Local Governments: Omnibus.” Among other things, this statement clarifies the minimum requirements of management’s discussion and analysis and eliminates the requirement to capitalize construction-period interest for governmental activities as promulgated by GASB Statement No. 34. GASB Statement No. 37 was implemented simultaneously with GASB Statement No. 34.

- GASB Statement No. 38 - “Certain Financial Statement Note Disclosures.” Among other things, this statement establishes and modifies disclosure requirements related to the summary of significant accounting, policies, actions taken to address violations of significant finance-related legal and contractual provisions and disaggregation of receivable and payable balances. GASB Statement No. 38 was implemented simultaneously with GASB Statement No. 34.

- GASB Statement No. 40 - “Deposits and Investment Risk Disclosures.” This statement establishes and modifies disclosure requirements related to the following investment and deposit risks:
  - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
  - Custodial credit risk:
    - Deposits - risk that the Association will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party in the event of failure of a depository financial institution.
    - Investments - risk that the entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party in the event of failure of the counterparty (the party that pledges collateral or that sells investments to or buys investments from the entity) of a transaction.
(2) Summary of Significant Accounting Policies, Continued

- Concentration of credit risk is the risk of loss attributed to the magnitude of the Association’s investment in a single institution or issuer.

- Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair market value of the investment or deposit.

- Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of the investment or deposit.

(a) Net Assets

The Association’s resources are classified into the following net asset categories:

Invested 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 assets subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net assets 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 assets, including net assets designated by actions, if any, of the Association’s Board of Directors.

At June 30, 2011, the Association had no invested in capital assets and no restricted net assets.

(b) Cash and Equivalents

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

(c) 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 deferred revenue.

(d) 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 personal services of certain college employees. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such services (note 4).
DOCTORAL AND GRADUATE STUDENTS’ COUNCIL OF 
THE CITY UNIVERSITY OF NEW YORK - GRADUATE SCHOOL 
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Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(e) 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 assets. 
Accordingly, certain costs have been allocated among the programs and supporting 
services benefited.

(f) Use of Estimates

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

(g) Subsequent Events

The Association has evaluated events after June 30, 2011, and through September 29, 2011, 
which is the date the financial statements were available to be issued, and determined 
that any events or transactions occurring during this period that would require 
recognition or disclosure are properly addressed in these financial statements.

(3) Cash and Equivalents and Investments

(a) Custodial Credit Risk - Deposits

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, 2011, none of the Association’s bank 
balance of $50,871 was exposed to custodial credit risk as it was insured.

(b) Custodial Credit Risk - Investments

Custodial credit risk as it relates to investments is the risk that the Association will not be 
able to recover the value of its investment portfolio that is in the possession of a failed 
counterparty in the event of failure of that counterparty of a transaction. At June 30, 
2011, none of the Association’s investment portfolio balance of $147,754 was exposed 
to custodial credit risk as it was insured. This investment represents a short-term 
certificate of deposit.

(4) Donated Space and Services

The Association utilizes certain facilities provided by the School at no cost. The estimated fair 
value of the donated office space, which is used solely by the Association, amounted to 
$294,640 and $228,600 for the years ended June 30, 2011 and 2010, respectively. 
Additionally, professional services were provided by certain College employees and 
amounted to $36,362 for the years ended June 30, 2011 and 2010. These donated services 
are included in both revenue and expenses in the accompanying statements of revenue, 
expenses and changes in net assets.