

PROFESSIONAL STAFF CONGRESS/CUNY
FINANCIAL STATEMENTS with SUPPLEMENTAL INFORMATION
AUGUST 31, 2021 and 2020

CONTENTS	
Independent Auditor’s Report	Statements of Cash Flows
Statements of Financial Position	Notes to Financial Statements
Statements of Activities	Supplemental Information
Statements of Functional Expenses	Schedules of Expenses by Category

Independent Auditor’s Report
To the Executive Board of Professional Staff Congress of the City University of New York

We have audited the accompanying financial statements of the Professional Staff Congress of the City University of New York (PSC/CUNY), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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 PSC/CUNY’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 PSC/CUNY’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 financial position of the Professional Staff Congress of the City University of New York as of August 31, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information: Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedules of Expenses by Category are presented for purposes of additional analysis and are not a required part of the financial statements. Supplemental information is the responsibility of the PSC/CUNY’s 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.

Novak Francella LLC
New York, New York, March 10, 2022

STATEMENTS OF FINANCIAL POSITION AUGUST 31, 2021 AND 2020		
	2021	2020
Assets		
Cash and cash equivalents	\$ 1,325,199	\$ 1,237,823
Investments – at fair value		
Mutual funds	12,620,304	12,367,478
Investments – other		
Certificate of deposit	992,000	992,000
Total investments	13,612,304	13,359,478
Receivables		
Dues	231,000	167,000
Due from related entities	218,000	141,000
Total receivables	449,000	308,000
Property and equipment		
Equipment	760,283	731,585
Leasehold improvements	661,808	658,758
Furniture and fixtures	346,461	342,580
	1,768,552	1,732,923
Less: accumulated depreciation	(1,520,943)	(1,471,411)
Net property and equipment	247,609	261,512
Total assets	\$ 15,634,112	\$ 15,166,813
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ 338,952	\$ 403,058
Accrued compensated balances	605,840	589,981
Due to related entities	1,561,688	1,629,418
Deferred revenue	168,438	64,119
Total current liabilities	2,674,918	2,686,576
Long-term liabilities		
Deferred rent	\$ 218,242	\$ 410,166
Unfunded projected pension benefit obligation	5,020,042	4,263,151
Total long-term liabilities	5,238,284	4,673,317
Total liabilities	7,913,202	7,359,893
Net assets without donor restrictions	7,720,910	7,806,920
Total liabilities and net assets	\$ 15,634,112	\$ 15,166,813

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 1. ORGANIZATION AND TAX STATUS
The Professional Staff Congress of the City University of New York (PSC/CUNY) was created by a merger of the Legislative Conference of The City University of New York and the United Federation of College Teachers. It was created to be the collective bargaining representative of the instructional staff of the City University of New York (CUNY). The Professional Staff Congress of the City University of New York is a Local (Local 2334) of the American Federation of Teachers (AFT). Through the AFT, PSC/CUNY is affiliated with New York State United Teachers (NYSUT) and The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

The purpose of PSC/CUNY is to advance and secure the professional and economic interest of the instructional staff of the CUNY and other members of the bargaining units of PSC/CUNY. The objectives of PSC/CUNY are to negotiate and administer collective bargaining agreements; to improve the quality of education, research and scholarship at the CUNY; to cooperate with other educational, professional, and labor organizations in order to enhance the quality of education in the nation and to promote the professional and economic interests and the welfare of all workers; to serve as the public representative of the instructional staff of the CUNY and other members of the bargaining units of the Professional Staff Congress; and to cooperate with other CUNY employee and academic organizations and student bodies in order to advance the interests of the faculty, staff and students of the CUNY and the community it serves. The benefits members receive are paid for by contributions from the employer, CUNY, which are negotiated during bargaining as part of members’ compensation. PSC/CUNY and its affiliated organizations have arranged for various special economic benefits for its members. Supplemental health and welfare benefits are paid from a separate trust fund and are not included in these financial statements.

PSC/CUNY is exempt from Federal income taxes under Section 501(c)(5) of the Internal Revenue Code under a blanket exemption of the AFT.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by PSC/CUNY and recognize a tax liability if PSC/CUNY has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. PSC/CUNY is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, tax years will remain open for three years; however, this may differ depending upon the circumstances of PSC/CUNY.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for nonprofit organizations. Net assets are classified as net assets without donor

restrictions and with donor restrictions. Net assets are generally reported as net assets without donor restrictions unless assets are received from donors with explicit stipulations that limit the use of the asset. PSC/CUNY does not have any net assets with donor restrictions. Membership dues and fees are accounted for as exchange transactions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PSC/CUNY. These net assets may be used at the discretion of PSC/CUNY’s management and the Board of Directors. Net assets without donor restrictions totaled \$7,720,910 and \$7,806,920 for the years ended August 31, 2021 and 2020, respectively.

Cash and Cash Equivalents – PSC/CUNY considers all cash and highly liquid investments, including certificates of deposit with initial maturities of three months or less, to be cash equivalents.

Investments – Investments are carried at fair value which generally represents quoted market prices, or the net asset value of the mutual funds, as of the last business day of the fiscal year as provided by the custodian or investment manager. Certificates of deposit held for investment that are not debt securities are classified as Investments – other and are carried at cost.

Property and Equipment – Property and equipment are recorded at cost. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed over the assets’ estimated useful lives, three to thirty years, by the straight-line method. Depreciation expense was \$49,532 and \$54,513 for the years ended August 31, 2021 and 2020, respectively.

Accrued Compensated Balances – Future employee absences that have been earned but not yet taken are accrued within the contract limits. The accrued compensated balances were \$605,840 and \$589,981 for the years ended August 31, 2021 and 2020, respectively.

Membership Dues and Dues Receivable – Membership dues are recognized as revenue over the membership period. Dues come from members through payroll deductions and direct payments. Dues receivable are recorded as revenues are recognized. PSC/CUNY has determined that no allowance for doubtful accounts for receivables is necessary as of August 31, 2021 and 2020.

Deferred Rent – Operating leases are recognized on a straight-line basis over the term of the lease. Deferred rent has been recorded for the difference between the fixed payment and the rent expense. Deferred rent was \$218,242 and \$410,166 for the years ended August 31, 2021 and 2020, respectively.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3. CONCENTRATION OF CASH
PSC/CUNY places its cash and certificates of

deposit with financial institutions deemed to be creditworthy. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances and certificates of deposits may at times exceed the insured deposit limits. As of August 31, 2021, PSC/CUNY’s cash and certificates of deposit in excess of FDIC coverage totaled \$1,075,199 and \$742,000, respectively.

NOTE 4. AVAILABILITY AND LIQUIDITY

The following represents PSC/CUNY’s financial assets available within one year of the statements of financial position date for general expenditure at August 31, 2021 and 2020:

	2021	2020
Financial assets available within one year:		
Cash & cash equivalents	\$ 1,325,199	\$ 1,237,823
Investments	113,612,304	13,359,478
Receivables	<u>449,000</u>	<u>308,000</u>
Total financial assets	15,386,503	14,905,301
Less investments maturing greater than one year	<u>(793,000)</u>	<u>(793,000)</u>

Financial assets available to meet general expenditures within one year \$14,593,503 \$14,112,301

As part of PSC/CUNY’s liquidity plan, excess cash is maintained in checking and money market accounts, and certificates of deposit.

NOTE 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:
Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the PSC/CUNY has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED AUGUST 31, 2021 AND 2020						
	Total	2021 Member Services	Support Services	Total	2020 Member Services	Support Services
Affiliation fees	\$ 9,760,945	\$ 9,760,945	\$ -	\$ 10,122,154	\$ 10,122,154	\$ -
Salaries, employee benefits and payroll taxes	6,411,134	2,846,355	3,564,779	5,775,348	2,461,884	3,313,464
Representational and governance	149,528	149,528	-	114,506	114,506	-
Public relations	69,431	69,431	-	96,697	96,697	-
Building expenses	1,391,748	617,936	773,812	1,457,241	621,222	836,019
Administrative, office and general	343,025	99,630	243,395	338,820	92,205	246,615
Professional fees	1,026,894	1,026,894	-	733,350	733,350	-
Contract and budget campaigns	432,108	432,108	-	317,051	317,051	-
Stipends and reassigned time	455,106	455,106	-	458,436	458,436	-
Depreciation expense	49,532	-	49,532	54,513	-	54,513
Membership campaign	11,370	11,370	-	11,328	11,328	-
Total expenses	\$ 20,100,821	\$ 15,469,303	\$ 4,631,518	\$ 19,479,444	\$ 15,028,833	\$ 4,450,611

STATEMENTS OF ACTIVITIES YEARS ENDED AUGUST 31, 2021 AND 2020			STATEMENTS OF CASH FLOWS YEARS ENDED AUGUST 31, 2021 AND 2020		
	2021	2020		2021	2020
Revenue			Cash flows from operating activities		
Membership dues	\$ 15,752,687	\$ 16,255,106	Change in net assets	\$ 330,072	1,447,322
Organizing assistance	3,482,090	3,591,029	Adjustments to reconcile change in net assets to net cash provided by operating activities		
Investment income, net	772,699	742,525	Depreciation	49,532	54,513
Rental income	305,859	283,077	Net realized and unrealized (gains) losses	(515,015)	(455,685)
Other income	117,558	55,029	Unfunded pension benefit obligation adjustments other than net periodic pension service cost	(416,082)	45,710
Total revenue	\$ 20,430,893	20,926,766	Decrease (increase) in assets:		
Expenses			Dues receivable	(64,000)	(42,000)
Affiliation fees	9,760,945	10,122,154	Due from related entities	(77,000)	476,4000
Salaries, employee benefits, and payroll taxes	6,411,134	5,775,348	Due from other	-	90,000
Representational and governance	149,528	114,506	Increase (decrease) in liabilities:		
Public relations	69,431	96,697	Accrued expenses	(64,106)	129,679
Building expenses	1,391,748	1,457,241	Accrued compensated absences	15,859	(107,833)
Administrative, office and general	343,025	338,820	Due to related entities	(67,730)	9,203
Professional fees	1,026,894	733,350	Deferred revenue	104,319	64,119
Contract and budget campaigns	432,108	317,051	Deferred rent	(191,924)	(157,061)
Stipends and reassigned time	455,106	458,436	Unfunded projected pension benefit obligation	756,891	191,266
Depreciation expense	49,532	54,513	Net cash provided by (used for) operating activities	<u>(139,184)</u>	<u>1,745,633</u>
Membership campaign	11,370	11,328	Cash flows from investing activities		
Total expenses	20,100,821	19,479,444	Purchase of property and equipment	(35,629)	(157,009)
Net increase in net assets before other changes	330,072	1,447,322	Purchase of certificates of deposit	(199,000)	(297,000)
Other changes in net assets			Liquidation of certificates of deposit	199,000	297,000
Unfunded pension benefits obligation adjustments other than net periodic pension service cost	(416,082)	45,710	Sale of investments	944,173	678,254
Net increase (decrease) in net assets	(86,010)	1,493,032	Purchase of investments	<u>(681,984)</u>	<u>(1,740,704)</u>
Net assets without donor restrictions			Net cash used for investing activities	<u>226,560</u>	<u>(1,219,459)</u>
Beginning of year	\$ 7,806,920	\$ 6,313,888	Net (decrease) increase in cash	87,376	526,174
End of year	\$ 7,720,910	\$ 7,806,920	Cash and cash equivalents		

See accompanying notes to financial statements.

See accompanying notes to financial statements.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the years ended August 31, 2021 and 2020, there were no transfers in or out of levels 1, 2, or 3.

The following tables set forth, by level within the fair value hierarchy, the major categories of investments measured at fair value at August 31, 2021 and 2020:

Fair Value Measurements at August 31, 2021				
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 12,620,304	\$ 12,620,304	\$ -	\$ -
Investments at fair value	\$ 12,620,304	\$ 12,620,304	\$ -	\$ -

Fair Value Measurements at August 31, 2020				
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 12,367,478	\$ 12,367,478	\$ -	\$ -
Investments at fair value	\$ 12,367,478	\$ 12,367,478	\$ -	\$ -

PSC/CUNY contributes to the Professional Staff Congress/CUNY Pension Plan (the Plan), a single-employer plan covering professional and management employees who meet age and service requirements. Contributions are actuarially determined.

NOTE 6. SINGLE-EMPLOYER PENSION PLAN

The Professional Staff Congress of the City University of New York Pension Plan is a defined benefit plan paying 2.2% of Final Average Compensation for each year of service, up to 25 years. Final Average Compensation is the average compensation over the last highest 5 consecutive years (or highest 60 months) of service. Plan assets do not include any securities of the employer or related entities. No amount of future annual benefits of plan participants is covered by insurance contracts. There were no significant transactions between the PSC/CUNY or related parties and the Plan during the years ended August 31, 2021 and 2020.

The following are the balances as of or for the years ended August 31, 2021 and 2020 as provided by the Plan's actuary:

	2021	2020
Projected benefit obligation	\$(10,284,405)	\$(10,367,175)
Fair value of plan assets	5,264,363	6,104,024
Funded status	\$(5,020,042)	\$(4,263,151)
Accumulated benefit obligation	\$(2,657,659)	\$(2,004,164)
Amounts recognized in the statement of financial position:		
Noncurrent liabilities	\$(5,020,042)	\$(4,263,151)
Amounts in net assets not recognized as components of net periodic benefit cost:		
Accumulated net gain or (loss)	(2,362,383)	(2,258,987)
Weighted-average assumptions:		
Discount rate (to discount plan benefit obligations)	2.64%	2.59%
Discount rate (to measure net periodic pension cost)	2.59%	2.85%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	4.00%	4.00%
Employer contributions	\$ 420,000	\$ 420,000
Benefits paid	\$ 2,053,839	\$ 91,497
Net periodic pension cost - service cost	\$ 760,809	\$ 656,976
Other components of net periodic pension cost:		
Interest cost	\$ 265,588	\$ 256,180
Expected return on assets	(437,588)	(362,316)
Recognize actuarial (gain) loss	61,533	75,957
Other	423,153	-
	\$ 312,686	\$(30,179)

The change in unfunded pension benefit obligations consists of the following:

	2021	2020
Changes in net periodic pension cost – service cost:		
Net periodic pension cost – service cost	\$ 760,809	\$ 656,976
Less: Employer contributions	(420,000)	(420,000)
	\$ 340,809	\$ 236,976

Changes recognized in unrestricted net assets other than net periodic pension cost – service cost:		
Other components of net periodic pension cost	\$ 312,686	\$(30,179)
Increase (decrease) in unrecognized accumulated net gain or loss	\$ 103,396	\$(15,531)
	\$ 416,082	\$(45,710)
	\$ 756,891	\$ 191,266

In 2021 and 2020, PSC/CUNY has recorded a loss of \$416,082 and a gain of \$45,710, respectively, to its net assets for the additional change in accrued pension payable beyond the current-year pension expense.

TABLE 1 Fair Value Measurements at August 31, 2021					
		Total	Level 1	Level 2	Level 3
Cash & cash equivalents	2.72%	\$ 143,213	\$ 143,213	\$ -	\$ -
Equities	54.92%	2,891,036	2,891,036	-	-
U.S. Government & Government Agency obligations	18.18%	957,006	957,006	-	-
Mutual funds	24.18%	1,273,108	1,273,108	-	-
	100.00%	\$ 5,264,363	\$ 5,264,363	\$ -	\$ -

Fair Value Measurements at August 31, 2020					
		Total	Level 1	Level 2	Level 3
Cash & cash equivalents	1.67%	\$ 102,171	\$ 102,171	\$ -	\$ -
Equities	56.32%	3,437,603	3,437,603	-	-
U.S. Government & Government Agency obligations	22.25%	1,358,104	1,358,104	-	-
Mutual funds	19.76%	1,206,146	1,206,146	-	-
	100.00%	\$ 6,104,024	\$ 6,104,024	\$ -	\$ -

The Plan's expected long-term rate of return on assets assumption is 7.00%. This assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

For the years ended August 31, 2021 and 2020, there were no transfers in or out of levels 1, 2 and 3.

The following tables set forth, by level within the fair value hierarchy, the major categories of Plan investments measured at fair value and the allocation of the Plan's net assets available for benefits at August 31, 2021 and 2020:

SEE TABLE 1

PSC/CUNY's investment policies are designed to ensure that adequate plan assets are available to provide future payments of pension benefits to eligible participants. Taking into account the expected long-term rate of return on plan assets, PSC/CUNY formulates the investment portfolio composed of the optimal combination of cash and cash equivalents, equities, fixed income and mutual funds.

Future Cash Flows

The projected contribution for next fiscal year is \$420,000.

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

2022	\$ 180,373
2023	\$ 173,133
2024	\$ 287,275
2025	\$ 173,626
2026	\$ 740,535
2027 – 2031	\$ 1,777,557

NOTE 7. MULTIEMPLOYER DEFINED BENEFIT PENSION PLAN

PSC/CUNY participates in the Office and Professional Employees International Union, Local 153 Pension Fund, a multiemployer defined benefit pension plan, under the terms of a collective bargaining agreement that covers its union-represented employees who meet age and service requirements. The risks of participating in multiemployer defined benefit pension plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer defined benefit pension plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the multiemployer defined benefit pension plan, the unfunded obligations of the multiemployer defined benefit pension plan may be borne by the remaining participating employers.
- c. If the Plan chooses to stop participating in the multiemployer defined benefit pension plan, the Plan may be required to pay the multiemployer defined benefit pension plan an amount based on the underfunded status of the multiemployer defined benefit pension plan, referred to as a withdrawal liability.

PSC/CUNY's participation in the multiemployer defined benefit pension plan for the annual periods ended August 31, 2021 and 2020 is outlined in the table below. The zone status is based on information that PSC/CUNY received from the multiemployer defined benefit pension plan and is certified by the multiemployer defined benefit pension plan's actuary. Among other factors, pension plans in the red zone are generally less than 65 percent funded, pension plans in the yellow zone are less than 80 percent funded, and pension plans in the green zone are at least 80 percent funded.

SEE TABLE 2

* PSC/CUNY participates in the Local 153 Pension Fund through a collective bargaining agreement between PSC/CUNY and the Office & Professional Employees International Union, Local 153AFL-CIO (Local 153). The collective bargaining agreement has a three-year term of October 1, 2018 through September 30, 2021.

SEE TABLE 3

* The employer contribution rate of the Pension Plan was \$284 per week per employee effective June 1, 2021, and \$275 effective June 1, 2020.

SEE TABLE 4

NOTE 8. MULTIEMPLOYER PLAN THAT PROVIDES POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

PSC/CUNY contributed to one multiemployer defined benefit health and welfare plan during the years ended August 31, 2021 and 2020 that provides postretirement benefits for its full-time support staff employees. PSC/CUNY's contributions to the welfare plan on behalf of its full-time support staff employees, contribution rates, and number of employees covered were as follows:

SEE TABLE 5

* Under a collective bargaining agreement between Local 153 and PSC/CUNY, PSC/CUNY established cov-

erage through an insured Preferred Provider Organization Plan to provide medical, dental and prescription benefits. PSC/CUNY contributed \$66 per month to Local 153 Health Fund per active employee and \$8 per month per retiree under a collective bargaining agreement between Local 153 and PSC/CUNY to provide supplement benefits for life insurance coverage and vision benefits.

NOTE 9. RELATED PARTY TRANSACTIONS

Identification of Related Organizations

PSC/CUNY has the following related entities:

- American Federation of Teachers (AFT)
- New York State United Teachers (NYSUT)
- Professional Staff Congress of the City University of New York Welfare Fund
- The American Association of University Professors (AAUP)

The entities listed above share common trustees, officers, or affiliation with PSC/CUNY.

PSC/CUNY is affiliated with New York State United Teachers (NYSUT) and the American Federation of Teachers (AFT) through arrangements whereby PSC/CUNY pays dues to each entity in order for its members to participate in affiliated programs and, in turn, is reimbursed for various expenses, including reimbursements for meetings, organizing, legislative representation, training programs, and arbitration.

Dues paid to NYSUT for the years ended August 31, 2021 and 2020 were \$6,291,585 and \$6,539,652, respectively. As of August 31, 2021 and 2020, PSC/CUNY owed NYSUT \$1,020,000 and \$1,057,000, respectively, for dues. Dues paid to AFT for the years ended August 31, 2021 and 2020 were \$3,126,502 and \$3,256,126, respectively. As of August 31, 2021 and 2020, PSC/CUNY owed AFT \$531,000 and \$556,000, respectively, for dues.

Reimbursements from NYSUT for the years ended August 31, 2021 and 2020 were \$3,145,604 and \$3,319,634, respectively. As of August 31, 2021 and 2020, NYSUT owed PSC/CUNY \$186,000 and \$116,000, respectively. Reimbursements from AFT for the years ended August 31, 2021 and 2020 were \$336,486 and \$271,395, respectively. As of August 31, 2021 and 2020, AFT owed PSC/CUNY \$32,000 and \$25,000, respectively.

PSC/CUNY pays NYSUT a monthly fee for dues processing. Dues processing fees totaled \$72,600 and \$76,357 for the years ended August 31, 2021 and 2020, respectively. As of August 31, 2020, PSC/CUNY owed NYSUT \$9,807 for dues processing. As of August 31, 2021 and 2020, PSC/CUNY owed NYSUT \$1,959 and \$1,772 for postage, respectively.

PSC/CUNY reimburses the Welfare Fund for shared computer services. PSC/CUNY's portion of shared computer expenses totaled \$49,353 and \$49,887 for the years ended August 31, 2021 and 2020, respectively. As of August 31, 2021 and 2020, PSC/CUNY owed the Welfare Fund \$6,876 and \$3,937, respectively for shared computer services. As of August 31, 2021 and 2020, PSC/CUNY owed the Welfare Fund \$1,853 and \$902 in other consulting fees.

Office Space Leases

PSC/CUNY leases office space from 61 Broadway Owner, LLC (the Realty Corp). On September 30, 2005, PSC/CUNY entered into a sixteen-year lease with the Realty Corp for Suites 1500 and 1615 of the 61 Broadway building. The lease was amended on August 4, 2009 and May 17, 2012 to include Suites 1630 and 1610, respectively. The leases, all which expire on August 31, 2022, are classified as operating leases and provide for minimum annual rentals, plus certain additional expense escalations and utility charges. Per the agreement, PSC/CUNY is also responsible for its portion of real estate taxes.

The minimum annual future rental payments under the three leases are summarized as follows:

Year ending August 31,		
	2022	1,309,149

Rent including utilities and maintenance was \$1,175,148 and \$1,206,265 for the years ended August 31, 2021 and 2020, respectively.

TABLE 2

Legal Name of Pension Plan	Pension Plan's Employer Identification Number	Pension Plan's Plan Number	Pension Protection Act Zone Status				Expiration Date of Collective Bargaining Agreement
			Zone Status	Extended Amortization Provisions Used?	Zone Status	Extended Amortization Provisions Used?	
Local 153 Pension Fund	13-2864289	001	Red as of 01/01/21	No	Red as of 01/01/20	No	*

TABLE 3

Legal Name of Pension Plan	Contributions paid by the Plan directly to the Pension Plan		Contributions to the Pension Plan greater than 5% of total Pension Plan contributions (Plan year ending)	Employer Contribution Rate of the Pension Plan		Number of Employees Covered by the Pension Plan for which the Plan contributes directly to the Pension Plan	
	8/31/2021	8/31/2020		8/31/2021	8/31/2020	8/31/2021	8/31/2020
Local 153 Pension Fund	\$ 111,767	\$ 126,656	No, Plan year ending 8/31/21.	No, Plan year ending 8/31/20.	*	*	9

TABLE 4

Legal Name of Pension Plan	Funding Improvement Plan or Rehabilitation Plan Implemented or Pending?	Surcharge paid to Pension Plan by the Benefit Funds?	Minimum contributions required in future by CBA, statutory requirements, or other contractual requirements?	
			No?	If yes, description
Local 153 Pension Fund	Rehabilitation Plan Implemented	Yes	No	N/A

TABLE 5

Legal Name of Plan providing postretirement benefits other than pension	Contributions to Plan		Employer contribution rates		Number of employees covered by Plan	
	8/31/2021	8/31/2020	8/31/2021	8/31/2020	8/31/2021	8/31/2020
Local 153 Health Fund	\$ 8,302	\$ 9,177	*	*	15	15

PSC/CUNY subleases office space to the Professional Staff Congress of the City University of New York Welfare Fund, a related party. The Welfare Fund pays PSC/CUNY a sum equal to 23.90% of the lease of Suite 1500. The sublease expires on August 31, 2022.

The minimum annual future rental income under the sublease with the related party is summarized as follows:

Year ending August 31,		
	2022	\$220,877

Total rental income for the years ended August 31, 2021 and 2020 was \$305,859 and \$283,077, respectively.

NOTE 10. LITIGATION

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against PSC/CUNY. In the opinion of PSC/CUNY's management and legal counsel, the ultimate outcome of these claims will not have a material adverse effect on the financial position of PSC/CUNY.

NOTE 11. SUBSEQUENT EVENTS

PSC/CUNY has evaluated subsequent events through March 10, 2022, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

SUPPLEMENTAL INFORMATION SCHEDULES OF EXPENSES BY CATEGORY YEARS ENDED AUGUST 31, 2020 AND 2019

	2021	2020
Affiliation fees		
New York State United Teachers	\$ 6,291,585	\$ 6,539,652
American Federation of Teachers	3,126,502	3,256,126
The American Association of University Professors	258,140	256,667
Municipal Labor Committee	43,688	43,409
Other	41,030	26,300
	9,760,945	10,122,154
Salaries, employee benefits, and payroll taxes		
Salaries	\$ 3,850,029	\$ 3,581,906
Payroll taxes	310,872	287,494
Health benefit expense	1,341,410	1,084,419
Pension benefit expense	872,576	783,632
Other	36,247	37,897
	6,411,134	5,775,348
Representational and governance		
Conferences and conventions	\$ 64,379	\$ 101,651
Elections	84,802	11,341
Committees	347	1,514
	149,528	114,506
Public relations		
Mobilization and outreach	\$ 45,588	\$ 72,301
Community relations	23,843	20,755
Cultural activities	-	3,641
	69,431	96,697
Building expenses		
Rent and services	\$ 1,175,148	\$ 1,206,265
Real estate taxes	125,010	151,278
Repairs and maintenance	91,590	99,698
	1,391,748	1,457,241
Administrative, office, and general		
Office	\$ 208,243	\$ 187,987
Postage	11,848	23,120
Insurance	46,032	46,172
Dues processing	72,600	76,357
Other	4,302	5,184
	343,025	338,820
Professional fees		
Legal	\$ 350,222	\$ 351,219
Consulting	299,432	191,088
Accounting and auditing	35,200	35,600
Computer	342,040	155,443
	1,026,894	733,350
Contract and budget campaigns	\$ 432,108	\$ 317,051
Stipends and reassigned time	\$ 455,106	\$ 458,436
Depreciation expense	\$ 49,532	\$ 54,513
Membership campaign	\$ 11,370	\$ 11,328
Total expenses	\$ 20,100,821	\$ 19,479,444