

STUDENT GOVERNMENT ASSOCIATION

FINANCIAL REPORT

For the Years Ended
June 30, 2020 and 2019



STUDENT GOVERNMENT ASSOCIATION

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4-4a
Statements of Cash Flows	5
Notes to Financial Statements	6-11
<hr/>	
Schedule of Revenues and Expenses by Organization	12-13
Schedule of Revenues and Expenses Referendum/Stabilization Approved Expenditures	14

INDEPENDENT AUDITORS' REPORT

Student Senate
Student Government Association
Cortland, New York

We have audited the accompanying financial statements of the Student Government Association (the Association), a nonprofit organization, which comprise the Statements of Financial Position as of June 30, 2020 and 2019, and the related Statements of Activities 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.

Auditors' 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 of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Student Government Association, as of June 30, 2020 and 2019, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the schedules on pages 12-14 are presented for purposes of additional analysis 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 audit 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
November 18, 2020

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF FINANCIAL POSITION JUNE 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	<u>\$ 1,414,719</u>	<u>\$ 949,082</u>
Total Current Assets	<u>1,414,719</u>	<u>949,082</u>
Noncurrent Assets		
Property and Equipment	87,364	87,364
Less: Accumulated Depreciation	<u>(72,095)</u>	<u>(60,314)</u>
Total Noncurrent Assets	<u>15,269</u>	<u>27,050</u>
Total Assets	<u><u>\$ 1,429,988</u></u>	<u><u>\$ 976,132</u></u>
LIABILITIES AND NET ASSETS		
Accounts Payable	<u>\$ 177,020</u>	<u>\$ 28,711</u>
Total Liabilities	<u>177,020</u>	<u>28,711</u>
Net Assets Without Donor Restrictions		
Undesignated	1,170,422	854,546
Designated for Capital Replacement	61,827	72,156
Designated for Emergency Reserve	<u>20,719</u>	<u>20,719</u>
Total Net Assets Without Donor Restrictions	<u>1,252,968</u>	<u>947,421</u>
Total Liabilities and Net Assets	<u><u>\$ 1,429,988</u></u>	<u><u>\$ 976,132</u></u>

See Notes to Financial Statements

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30,

	2020			
	Stabilization Net Assets	Capital Replacement Net Assets	Emergency Reserve Net Assets	Total
Revenues				
Activity Fees	\$ 805,673	\$	\$	\$ 805,673
Organization Generated Revenue	77,229			77,229
Interest	12,268			12,268
Bus Service Revenue	-			-
Miscellaneous	26,847			26,847
Total Revenue	922,017	-	-	922,017
Expenses				
Organizational	546,039			546,039
Referendum/Stabilization				
Approved Expenditures	35,926	10,329		46,255
Other	24,176			24,176
Total Expenses	606,141	10,329	-	616,470
Change in Net Assets	315,876	(10,329)	-	305,547
Net Assets, July 1,	854,546	72,156	20,719	947,421
Net Assets, June 30,	\$ 1,170,422	\$ 61,827	\$ 20,719	\$ 1,252,968

See Notes to Financial Statements

2019

Stabilization Net Assets	Capital Replacement Net Assets	Emergency Reserve Net Assets	Total
\$ 1,003,583	\$	\$	\$1,003,583
301,888			301,888
10,872			10,872
7,798			7,798
5,257			5,257
<hr/>			
1,329,398	-	-	1,329,398
<hr/>			
1,069,658			1,069,658
220,000			220,000
13,663			13,663
<hr/>			
1,303,321	-	-	1,303,321
<hr/>			
26,077	-	-	26,077
<hr/>			
828,469	72,156	20,719	921,344
<hr/>			
\$ 854,546	\$ 72,156	\$ 20,719	\$ 947,421

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 305,547	\$ 26,077
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	11,781	13,382
Increase in Accounts Payable	<u>148,309</u>	<u>5,840</u>
Net Cash Provided (Used) by Operating Activities	<u>465,637</u>	<u>45,299</u>
Cash Flows From Investing Activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	465,637	45,299
Cash and Cash Equivalents, July 1,	<u>949,082</u>	<u>903,783</u>
Cash and Cash Equivalents, June 30,	<u><u>\$ 1,414,719</u></u>	<u><u>\$ 949,082</u></u>

See Notes to Financial Statements

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

***Note 1* Summary of Significant Accounting Policies**

The Organization

The Student Government Association (the Association) is an unincorporated association composed of various organizations conducting student and academic activities at the State University of New York College at Cortland (the College). These activities are financed in part from the proceeds of mandatory activity fees levied each semester on students in attendance at the College. Disbursement of the fees collected is made in accordance with an annual budget adopted by the Student Senate.

Basis of Accounting

The Association's accompanying financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

- 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 the organization. These net assets may be used at the discretion of the Association's management and the Student Senate.
- Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Income Taxes

The Association qualifies under §501(c)(3) of the Internal Revenue Code as an exempt organization. The Association has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

***Note 1* Summary of Significant Accounting Policies - Continued**

Cash Equivalents

The Association has cash and cash equivalents that consist of bank deposit accounts. Balances may, at times, exceed federally insured limits. The amounts in money market accounts are not federally insured. The Association has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

Property and Equipment, Depreciation

Property and equipment are recorded at cost if purchased or fair value at the date of donation. Depreciation is provided using the straight line method over the estimated useful lives of the related assets, which range from three to five years. It is the Association's policy to capitalize all property and equipment purchases over \$8,000 with useful lives greater than one year.

Revenues

Activity fees are charged to each full-time student for each of the fall and spring semesters. The activity fee was \$110 per semester for the years ended June 30, 2020 and 2019. Of this amount, \$85 is revenue recognized by the Association and \$25 is allocated to Cortland Recreational Sports. Activity fees are subject to annual review and approval by the executive committee of the Student Senate.

The executive committee of the Association reviews and makes allocations based upon budget requests submitted by all organizations wishing to receive Senate Funds. All monies earned or received in a given year are spent in that year with any unspent amounts being relinquished to the General Fund of the Association.

Student activities revenue is derived from activities conducted by the various student organizations within the Association and may be used by these organizations subject to the financial policies established by the Association.

The Association provides contracted bus transportation services for students of the College to various off-campus destinations. Revenue derived from this service is recorded as services are provided.

Donated Services and Goods

Volunteers have donated significant amounts of time in support of the Association's activities. However, value of these services is not reflected in the accompanying financial statements, as they do not meet the criteria for recognition set forth under generally accepted accounting principles.

Subsequent Events

Subsequent events have been evaluated through November 18, 2020; the date the financial statements were available to be issued.

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

***Note 1* Summary of Significant Accounting Policies - Continued**

Administrative Fees

The Association paid an administrative fee to Auxiliary Services Corporation of SUNY Cortland (ASC), amounting to \$33,800 and \$32,400 for the years ended June 30, 2020 and 2019, respectively. This fee was assessed to the Association to reimburse estimated expenses incurred by ASC on behalf of the Association for accounting and other services provided. The fee was charged directly to the Association and accounted for as an organizational expense.

Allocated Student Fees and Special Programs Expense

The Association allocates a portion of student fees to fund specific programs. Expenditures for the programs are included in organizational expenses in the accompanying Statements of Activities.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers" (Topic 606), effective for years beginning after December 15, 2018. This update supersedes existing revenue recognition guidance. Entities should now recognize revenue depicting the transfer of promised goods or services in a manner which reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In August 2015, FASB issued ASU No. 2015-14. The purpose of this update was to defer the effective date of ASU No. 2014-09. Accordingly, the effective date for non-public entities is for years beginning after December 15, 2018, applied on a retrospective basis.

In June 2018, FASB issued ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958). This accounting standard is meant to help nonprofit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for resources provided. If the resource provider does receive commensurate value, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received from the resource provider, the transfer is a contribution. The effective date of this ASU is for years beginning after December 15, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those reporting periods.

During the year ended June 30, 2020, the Association adopted the above accounting pronouncements. Where applicable, the previously reported balances have been reclassified to conform to the new pronouncements. The adoption had no effect on the net asset balances previously reported.

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Note 2 Accounts Receivable and Bad Debt

The College advances credit to students in the normal course of business. The Association's activity fees are collected by the College and remitted to the Association. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts begin. After all collection efforts are exhausted, the account is written off. The Association records an allowance of outstanding accounts. The Association recorded an allowance for doubtful accounts of \$414 and \$341 for the years ended June 30, 2020 and 2019, respectively.

Note 3 Functional Expenses

Functional expenses are as follows for the years ended June 30,:

	<u>2020</u>	<u>2019</u>
Program Services		
Organizational Clubs	\$ 251,073	\$ 384,953
Academic Clubs	27,731	59,666
Referendum/Stabilization		
Approved Expenditures	46,255	220,000
Student Activities Board	44,481	302,640
Other Program Services	94,334	169,066
Total Program Services	<u>463,874</u>	<u>1,136,325</u>
Management and General		
SAB-General	1,499	2,996
SGA-General	72,534	93,025
SGA-Salaries	54,387	57,312
Other	24,176	13,663
Total Management and General	<u>152,596</u>	<u>166,996</u>
Total	<u>\$ 616,470</u>	<u>\$ 1,303,321</u>

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Note 4 Property and Equipment

Property and equipment and accumulated depreciation as of June 30, consisted of the following:

	2020		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 87,364	\$ 72,095	\$ 15,269
Total	\$ 87,364	\$ 72,095	\$ 15,269
	2019		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 87,364	\$ 60,314	\$ 27,050
Total	\$ 87,364	\$ 60,314	\$ 27,050

Depreciation expense amounted to \$11,781 and \$13,382 for the years ended June 30, 2020 and 2019, respectively. There were no items disposed of in the year ended June 30, 2020.

Note 5 Availability and Liquidity

The Association's financial assets available within one year of the statement financial position date for general expenditure are as follows:

Financial Assets at Year end	2020	2019
Cash and Cash Equivalents	\$ 1,414,719	\$ 949,082
Total Financial Assets	1,414,719	949,082
Less Amounts Not Available to be Used		
Within One Year		
Designated for Capital Replacement	(61,827)	(72,156)
Designated for Emergency Reserve	(20,719)	(20,719)
Total Amounts Unavailable Within One Year	(82,546)	(92,875)
Total Financial Assets Available Within One Year	\$ 1,332,173	\$ 856,207

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

***Note 6* Subsequent Events**

In March 2020, the COVID-19 coronavirus outbreak was declared to be a pandemic. Actions taken around the world to help mitigate the spread of this coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. This coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Association operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Association, the Association expects to experience disruptive effects on its programs, which could negatively impact the Association's operating results in future periods.

STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION FOR THE YEAR ENDED JUNE 30, 2020

	Approved Net Budget	Contingency Allocations	Organization Generated Revenues	Expenses	Amount Unexpended (Overexpended)
Organizational Clubs					
Actively Involved in Community	\$ 14,500	\$ (50)	\$	\$ 627	\$ 13,823
CRU	8,500	(250)		5,861	2,389
Art Exhibition Association	4,000	2,120	45	2,696	3,469
Ambassadors	1,300	(25)			1,275
American Sign Language	959	(25)		299	635
BASIC	12,012	(50)		4,093	7,869
Best Buddies	3,000		85	1,198	1,887
Better World Club	3,000				3,000
Black Student Union	22,000	(75)	1,489	9,505	13,909
Caribbean Student Association	20,000	875	3,229	14,152	9,952
Student Alliance For Ending Rape	4,000	(25)		995	2,980
College Republicans	1,250	(25)			1,225
Colleges Against Cancer	10,000		247	3,353	6,894
Cinema Club	2,500			642	1,858
Athletic Training Association	15,000	(25)	577	6,908	8,644
Cortland State Emergency Squad (SCEMS)	40,000	40,000	950	66,393	14,557
20CSTV	15,000	(50)	300	431	14,819
Curly Kinky Coily Hair	3,206			972	2,234
Entrepreneurship Club	599	(75)			524
Inclusive Special Education Club	892			367	525
FIT Club	888				888
Pride Club	5,335			150	5,185
Fashion Club	9,000	(150)			8,850
Female Force		1,200		10	1,190
Habitat For Humanity	1,942	(25)		1,036	881
Know Your Roots	16,000	3,000	540	16,345	3,195
Hillel	5,000			1,462	3,538
Interfaith Crew	1,250			337	913
La Familia Latinos	10,000		3,000	5,869	7,131
LEAP	1,200			946	254
Minority Women in Sports		1,100		275	825
Model U.N.	10,752	(25)		7,170	3,557
Mutual Investment Club	2,200	(50)		873	1,277
Cortland A Capella	2,285		425	527	2,183
College Singers	6,000			1,225	4,775
Gospel Choir	18,000		397	9,050	9,347
Men of Values & Excellence	15,000	975	1,104	10,626	6,453
NAACP	10,000	5,000	2,194	14,924	2,270
Newman Club	1,100			974	126
Non-Traditional Students Org.	5,812	(100)		2,143	3,569
Dragon Chronicle	7,500	(50)	9,579	8,815	8,214
Pan-African Students Assoc.	19,000	(3,568)	760	14,508	1,684
Role Playing Games Club		500		114	386
Students for Access & Ability in College	400			154	246
Special Olymics - Cortland Stars	1,272	(25)		647	600
Speak Magazine	9,000				9,000
Student Alumni Association	15,420			1,318	14,102
Sports Management Club	18,500		1,335	6,519	13,316
International Club	7,500	(75)		2,166	5,259
Cortland Wishmakers	2,400	(125)	306	1,239	1,342
Cortland Writers Association	9,000			823	8,177
Women Of Color	9,000	900	180	5,274	4,806
WSUC-FM	25,000	(25)		16,864	8,111
Young Democrats	1,000			198	802
Total Organizational Clubs	428,474	50,777	26,742	251,073	254,920

STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

	Approved Net Budget	Contingency Allocations	Organization Generated Revenues	Expenses	Amount Unexpended (Overexpended)
Academic Clubs					
Alliance of PE Majors	\$ 10,000	\$	\$ 1,515	\$ 7,001	\$ 4,514
Biology Club	7,000		275	5,510	1,765
SUNY Cortland Rec. Assoc.	4,500	(175)		20	4,305
Chemistry Club	2,000			135	1,865
Dartfish Club	895	(50)	324	909	260
Education Club	6,000	(25)	260	4,886	1,349
English Club		200		268	(68)
French Club	1,000	(25)		107	868
Geology Club	5,000	(50)		246	4,704
History Club	7,500			180	7,320
Inclusive Recreation	3,500	(150)			3,350
Math Club	886	(50)		242	594
Physics Club	10,060			1,876	8,184
Political Science Association	5,334			163	5,171
PreDental Club	1,000	(25)		51	924
PreMed Club	1,333			827	506
Psychology Club	1,197		118	543	772
Spanish Club	1,500	(50)		1,218	232
NSSLHA	8,000		1,741	3,549	6,192
Total Academic Clubs	<u>76,705</u>	<u>(400)</u>	<u>4,233</u>	<u>27,731</u>	<u>52,807</u>
Student Activities					
SAB-General	2,295			1,499	796
SAB-Conference	2,525			1,804	721
SAB-Campus Events	48,000			10,216	37,784
SAB-Comedy/Lecture	27,000			18,979	8,021
SAB-Music	6,350			1,495	4,855
SAB-Promotions	6,335			4,497	1,838
SAB-Spring Fling Concert	16,800			3,815	12,985
SAB-Carnival/Spec. Events	20,000			3,675	16,325
Total Student Activities	<u>129,305</u>	<u>-</u>	<u>-</u>	<u>45,980</u>	<u>83,325</u>
Student Government					
SGA-General	91,300			72,534	18,766
SGA-Operational	53,129	6,255		35,400	23,984
SGA-Salaries	51,214			54,387	(3,173)
SGA-Tutor Payroll	67,000				67,000
SGA-Programming	30,000	5,000		23,984	11,016
SGA-NYPIRG	35,000			35,000	
SGA-Contingency	50,000	(17,653)	2,275	(50)	34,672
Total Academic Clubs	<u>377,643</u>	<u>(6,398)</u>	<u>2,275</u>	<u>221,255</u>	<u>152,265</u>
Total Organizational Expenses	<u>\$ 1,012,127</u>	<u>\$ 43,979</u>	<u>\$ 33,250</u>	<u>\$ 546,039</u>	<u>\$ 543,317</u>

STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES REFERENDUM/STABILIZATION APPROVED EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2020

	Approved Net Budget	Contingency Allocations	Organization Generated Revenues	Transfers	Expenses	Amount Unexpended (Overexpended)
Stabilization Approved Expenditures						
SGA-Operational (Office Remodel)	\$ 6,255	\$	\$	\$	\$ 6,255	\$ -
SAB Spring Fling	150,000			(110,000)	40,000	-
Total Stabilization Approved Expenditures	156,255	-	-	(110,000)	46,255	-
Total Referendum/Stabilization Approved Expenditures	\$156,255	\$ -	\$ -	\$(110,000)	\$ 46,255	\$ -