

STUDENT GOVERNMENT ASSOCIATION

**Financial Statements
as of June 30, 2016 and 2015
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

November 1, 2016

To the Student Senate:

Report on the Financial Statements

We have audited the accompanying financial statements of Student Government Association (the Association), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, changes in net assets, 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 the 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 entity'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 entity'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 Student Government Association as of June 30, 2016 and 2015, 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.

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INDEPENDENT AUDITOR'S REPORT

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Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained on pages 8 through 10, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked "unaudited," 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 631,521	\$ 637,463
Accounts receivable, net	<u>3,747</u>	<u>3,270</u>
Total current assets	<u>635,268</u>	<u>640,733</u>
FIXED ASSETS:		
Vehicles	49,562	49,562
Less: Accumulated depreciation	<u>(32,218)</u>	<u>(24,925)</u>
	<u>17,344</u>	<u>24,637</u>
Total assets	<u>\$ 652,612</u>	<u>\$ 665,370</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 4,983	\$ 13,208
Total current liabilities	<u>4,983</u>	<u>13,208</u>
NET ASSETS:		
Unrestricted -		
Undesignated	513,254	517,787
Designated for capital replacement	113,656	113,656
Designated for emergency reserve	<u>20,719</u>	<u>20,719</u>
Total unrestricted net assets	<u>647,629</u>	<u>652,162</u>
Total liabilities and net assets	<u>\$ 652,612</u>	<u>\$ 665,370</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUE:		
Activity fees	\$ 943,850	\$ 823,141
Student activities	251,826	290,527
Bus service, net	5,299	5,172
Interest	2,164	3,390
Miscellaneous	<u>1,850</u>	<u>6,221</u>
Total revenue	<u>1,204,989</u>	<u>1,128,451</u>
EXPENSES:		
Organizational	1,058,129	983,513
Referendum/stabilization approved expenditures	139,976	447,467
Other	<u>11,417</u>	<u>9,713</u>
Total expenses	<u>1,209,522</u>	<u>1,440,693</u>
CHANGE IN NET ASSETS	(4,533)	(312,242)
NET ASSETS - beginning of year	<u>652,162</u>	<u>964,404</u>
NET ASSETS - end of year	<u>\$ 647,629</u>	<u>\$ 652,162</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>Undesignated</u>	<u>Designated for Capital Replacement</u>	<u>Designated for Emergency Reserve</u>	<u>Total</u>
NET ASSETS - July 1, 2014	\$ 830,029	\$ 113,656	\$ 20,719	\$ 964,404
Change in net assets	<u>(312,242)</u>	<u>-</u>	<u>-</u>	<u>(312,242)</u>
NET ASSETS - June 30, 2015	517,787	113,656	20,719	652,162
Change in net assets	<u>(4,533)</u>	<u>-</u>	<u>-</u>	<u>(4,533)</u>
NET ASSETS - June 30, 2016	<u>\$ 513,254</u>	<u>\$ 113,656</u>	<u>\$ 20,719</u>	<u>\$ 647,629</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (4,533)	\$ (312,242)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Bad debt expense	1,128	-
Depreciation expense	7,293	7,002
Changes in:		
Accounts receivable	(1,605)	1,647
Accounts payable	<u>(8,225)</u>	<u>3,760</u>
Net cash flow from operating activities	<u>(5,942)</u>	<u>(299,833)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>-</u>	<u>(16,012)</u>
Net cash flow from investing activities	<u>-</u>	<u>(16,012)</u>
CHANGE IN CASH AND EQUIVALENTS	(5,942)	(315,845)
CASH AND EQUIVALENTS - beginning of year	<u>637,463</u>	<u>953,308</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 631,521</u>	<u>\$ 637,463</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

1. THE ORGANIZATION

The Student Government Association (the Association) is a nonprofit organization 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Financial Reporting

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All of the Association's net assets were unrestricted as of June 30, 2016 and 2015. The unrestricted net assets of the Association are maintained so that resources for various purposes are classified for accounting and reporting purposes into net asset categories that are in accordance with activities or specified objectives. Accordingly, certain designations of unrestricted net assets are maintained by the Association. Unrestricted net assets represent amounts appropriated by the Association as follows:

- **Undesignated** - utilized as a current operating fund. It consists of activity and organization generated fees that are available for Student Senate/student body approved organization expenses.
- **Capital Replacement** - consists of furniture and equipment replacements.
- **Emergency Reserve** - acts as a safeguard in the event of an excess of expenses over revenues from operations or for other emergency needs.

Cash and Cash Equivalents

The Association has cash and cash equivalents that consist of bank deposit and money market accounts. The balances in the bank accounts may, at times, exceed federally insured limits. The amounts in money market accounts are not federally insured. The Association has obtained additional insurance from the bank to collateralize all deposits. 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 equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

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 for doubtful accounts in anticipation of future write-offs based upon a specific review of outstanding accounts. The Association recorded an allowance for doubtful accounts of \$1,128 for the year ended June 30, 2016. There was no allowance for doubtful accounts recorded for the year ended June 30, 2015.

Fixed Assets

Fixed assets 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. Depreciation expense for years ending June 30, 2016 and 2015 amounted to \$7,293 and \$7,002, respectively. It is the Association's policy to capitalize all fixed asset 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 \$75 and \$65 per semester for the years ended June 30, 2016 and 2015, respectively. Activity fees are subject to annual review and approval by the executive committee of the 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

Volunteers have donated significant amounts of time in support of the Association's activities. However, the 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.

Income Taxes

The Association is an unincorporated association exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Association has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3. ADMINISTRATIVE FEES

The Association paid an administrative fee to Auxiliary Services Corporation of SUNY Cortland (ASC), amounting to \$28,700 and \$27,500 for the years ended June 30, 2016 and 2015, 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 Student Government and accounted for as an organizational expense.

4. ALLOCATED STUDENT FEES AND SPECIAL PROGRAM EXPENSES

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

5. FUNCTIONAL EXPENSES

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

	<u>2016</u>	<u>2015</u>
Program services	\$ 1,075,511	\$ 1,316,878
Management and general	<u>134,011</u>	<u>123,815</u>
	<u>\$ 1,209,522</u>	<u>\$ 1,440,693</u>

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 1, 2016, which is the date the financial statements were available to be issued.

STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION
FOR THE YEAR ENDED JUNE 30, 2016

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Organizational clubs:						
Active Minds	\$ -	\$ 650	\$ -	\$ 183	\$ -	\$ 467
Actively Involved in Community	2,000	8,812	1,016	10,384	-	1,444
CRU (Agape)	5,000	(25)	13	3,004	-	1,984
Art Exhibition Association	5,000	(25)	190	5,297	-	(132)
Sexual Health & Awareness Club	5,500	1,350	650	4,810	-	2,690
Ambassadors	2,000	-	-	1,071	-	929
Code Red	1,000	(50)	79	682	-	347
Amnesty International	1,000	(225)	-	-	-	775
American Heart Association	-	(25)	14	-	-	(11)
ASL-American Sign Language	2,500	2,350	-	1,475	-	3,375
BASIC	4,000	1,575	214	5,422	-	367
Black Student Union	20,000	4,500	3,589	26,836	-	1,253
CALS Contribution	40,000	-	-	40,000	-	-
Caribbean Student Association	15,000	-	7,711	22,392	-	319
Student Alliance For Ending Rape (SAFER)	7,500	-	-	3,334	-	4,166
Colleges Against Cancer	8,000	-	815	5,603	-	3,212
Athletic Training Association	6,500	(50)	4,308	10,399	-	359
Cortland State Emergency Squad	38,000	-	1,200	41,265	-	(2,065)
Sustainability (Environmental)	700	(50)	-	4	-	646
CSTV-60	23,000	(50)	42	11,553	-	11,439
Culture of Hip Hop	1,000	(75)	-	-	-	925
Entrepreneurship Club	1,000	(75)	-	-	-	925
Inclusive Education Club	1,500	-	207	783	-	924
FIT Club	2,500	(25)	750	2,193	-	1,032
Spectrum-Cortland Gay/Straight	7,500	12,971	1,768	22,148	-	91
Habitat For Humanity	2,000	-	93	1,329	-	764
International Awareness Club	1,350	(50)	-	359	-	941
Hillel (Jewish Studies)	10,000	(50)	1,299	10,395	-	854
Interfaith Crew	1,000	-	150	525	-	625
La Familia Latinos	14,000	(25)	55	10,694	-	3,336
Model U.N.	8,000	2,800	3,490	13,549	-	741
Cortland A Capella	1,300	(25)	1,111	2,119	-	267
College Singers	8,000	(175)	-	1,498	-	6,327
Gospel Choir	20,000	(75)	324	16,707	-	3,542
Men of Values & Excellence	5,000	5,576	675	7,709	-	3,542
Catholic Students Club	2,000	-	76	170	-	1,906
Non-Traditional Students Org.	5,300	(50)	-	4,945	-	305
Asian Culture & Media (ACME)	1,500	-	-	1,262	-	238
Dragon Chronicle	13,000	(75)	19,009	19,147	-	12,787
Pan-African Students Assoc.	10,000	9,500	1,868	17,655	-	3,713
Speak-The Magazine	13,000	(25)	755	11,707	-	2,023
SPARK (Student Alumni)	11,500	4,975	-	12,409	-	4,066
Sports Management Club	18,500	-	1,020	13,054	-	6,466
Technology Club	-	1,080	-	1,062	-	18
Cortland Wishmakers	-	200	25	177	-	48
Cortland Writers Association	5,000	-	484	4,992	-	492
Women Of Color	8,800	(50)	466	7,412	-	1,804
WSUC-FM	21,000	(25)	-	19,774	-	1,201
Total organizational clubs	380,450	55,039	53,466	397,488	-	91,467

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STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION
FOR THE YEAR ENDED JUNE 30, 2016

(Continued)

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Balance carried forward	380,450	55,039	53,466	397,488	-	91,467
Academic clubs:						
Association of PE Majors	12,000	(100)	1,978	8,797	-	5,081
Biology Club	2,000	-	447	1,340	-	1,107
SUNY Cortland Rec. Assoc.	5,000	(50)	696	2,924	-	2,722
Chemistry Club	1,000	538	488	2,027	-	(1)
Criminology Club	1,000	(200)	24	-	-	824
Economics Club	1,000	950	-	667	-	1,283
Education Club	6,000	(46)	1,385	5,471	-	1,868
Geology Club	3,650	(25)	1,751	4,603	-	773
Health Club	2,600	(25)	85	440	-	2,220
History Club	930	(25)	-	326	-	579
Inclusive Recreation	1,000	535	-	1,179	-	356
Math Club	2,000	(25)	-	1,345	-	630
Philosophy	-	500	-	84	-	416
Physics Club	3,000	4,800	-	7,323	-	477
Political Science Association	4,000	(75)	-	2,760	-	1,165
PreMed Club	800	-	-	-	-	800
Psychology Club	900	-	70	566	-	404
Sociology/Anthropology	1,000	(25)	57	789	-	243
Spanish Club	650	-	28	91	-	587
Speech & Hearing	8,000	6,500	7,728	18,201	-	4,027
Urban Education	1,000	-	-	723	-	277
Total academic clubs	57,530	13,227	14,737	59,656	-	25,838
Student activities board:						
General/Administrative	4,000	-	20	2,554	-	1,466
APCA Conference	2,000	-	-	2,525	-	(525)
Major Events	23,000	-	80	14,938	-	8,142
Comedy/Lecture	23,000	-	4,000	25,932	-	1,068
Music	15,000	-	-	9,902	-	5,098
Promotions	5,000	-	-	4,770	-	230
Siblings Weekend	5,000	-	4,685	10,338	-	(653)
Spring Fling Concert	15,000	117,000	30,360	155,786	-	6,574
Spring Fling Carnival	10,000	-	-	9,881	-	119
Cortaca	50,000	2,000	2,772	62,315	-	(7,543)
Total student activities	152,000	119,000	41,917	298,941	-	13,976
Student government:						
General	86,700	-	-	69,873	-	16,827
Operational	19,575	-	5	9,018	-	10,562
Payroll	50,579	-	-	61,584	-	(11,005)
Tutor Payroll	65,000	-	-	65,000	-	-
Programming	52,000	3,000	1,725	61,569	-	(4,844)
ASCAP	2,100	-	-	-	-	2,100
NYPIRG	35,000	-	-	35,000	-	-
Contingency	59,066	(53,149)	2,859	-	-	8,776
Total student government	370,020	(50,149)	4,589	302,044	-	22,416
Total organizational activities	\$ 960,000	\$ 137,117	\$ 114,709	\$ 1,058,129	\$ -	\$ 153,697

The accompanying notes are an integral part of these schedules.

STUDENT GOVERNMENT ASSOCIATION

**SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION
 REFERENDUM/STABILIZATION APPROVED EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2016**

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Referendum approved expenditures:						
Pan-African Student Assoc. (PASA)	\$ 4,500	\$ -	\$ -	\$ 4,500	\$ -	\$ -
American Sign Language	900	-	-	900	-	-
Men of Values & Excellence	5,576	-	-	5,576	-	-
Spectrum	12,000	-	-	12,000	-	-
Spring Fling Concert	117,000	-	-	117,000	-	-
Total referendum approved expenditures	<u>\$ 139,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,976</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these schedules.