

STUDENT GOVERNMENT ASSOCIATION

**Financial Statements
as of June 30, 2017 and 2016
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

October 27, 2017

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 685,135	\$ 631,521
Accounts receivable, net	<u>3,296</u>	<u>3,747</u>
Total current assets	<u>688,431</u>	<u>635,268</u>
FIXED ASSETS:		
Vehicles	87,364	49,562
Less: Accumulated depreciation	<u>(31,505)</u>	<u>(32,218)</u>
	<u>55,859</u>	<u>17,344</u>
Total assets	<u>\$ 744,290</u>	<u>\$ 652,612</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ <u>6,001</u>	\$ <u>4,983</u>
Total current liabilities	<u>6,001</u>	<u>4,983</u>
NET ASSETS:		
Unrestricted -		
Undesignated	645,414	513,254
Designated for capital replacement	72,156	113,656
Designated for emergency reserve	<u>20,719</u>	<u>20,719</u>
Total unrestricted net assets	<u>738,289</u>	<u>647,629</u>
Total liabilities and net assets	<u>\$ 744,290</u>	<u>\$ 652,612</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE:		
Activity fees	\$ 942,533	\$ 943,850
Student activities	283,890	251,826
Bus service, net	5,890	5,299
Interest	2,167	2,164
Miscellaneous	<u>3,575</u>	<u>1,850</u>
Total revenue	<u>1,238,055</u>	<u>1,204,989</u>
EXPENSES:		
Organizational	983,725	1,058,129
Referendum/stabilization approved expenditures	150,000	139,976
Other	<u>13,670</u>	<u>11,417</u>
Total expenses	<u>1,147,395</u>	<u>1,209,522</u>
CHANGE IN NET ASSETS	90,660	(4,533)
NET ASSETS - beginning of year	<u>647,629</u>	<u>652,162</u>
NET ASSETS - end of year	<u>\$ 738,289</u>	<u>\$ 647,629</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, 2017 AND 2016

	<u>Undesignated</u>	<u>Designated for Capital Replacement</u>	<u>Designated for Emergency Reserve</u>	<u>Total</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	513,254	113,656	20,719	647,629
Change in net assets	<u>132,160</u>	<u>(41,500)</u>	<u>-</u>	<u>90,660</u>
NET ASSETS - June 30, 2017	<u>\$ 645,414</u>	<u>\$ 72,156</u>	<u>\$ 20,719</u>	<u>\$ 738,289</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 90,660	\$ (4,533)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Bad debt expense	450	1,128
Depreciation expense	12,383	7,293
Changes in:		
Accounts receivable	1	(1,605)
Accounts payable	<u>1,018</u>	<u>(8,225)</u>
Net cash flow from operating activities	<u>104,512</u>	<u>(5,942)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>(50,898)</u>	<u>-</u>
Net cash flow from investing activities	<u>(50,898)</u>	<u>-</u>
CHANGE IN CASH AND EQUIVALENTS	53,614	(5,942)
CASH AND EQUIVALENTS - beginning of year	<u>631,521</u>	<u>637,463</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 685,135</u>	<u>\$ 631,521</u>

The accompanying notes are an integral part of these statements.

STUDENT GOVERNMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

1. 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.

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, 2017 and 2016. 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 funds utilized for 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 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 \$450 and \$1,128 for the years ended June 30, 2017 and 2016, respectively.

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, 2017 and 2016 amounted to \$12,383 and \$7,293, 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 per semester for the years ended June 30, 2017 and 2016. 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 \$29,800 and \$28,700 for the years ended June 30, 2017 and 2016, 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>2017</u>	<u>2016</u>
Program services	\$ 1,027,953	\$ 1,075,511
Management and general	<u>119,442</u>	<u>134,011</u>
	<u>\$ 1,147,395</u>	<u>\$ 1,209,522</u>

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 27, 2017, 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, 2017

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Organizational clubs:						
Active Minds	1,000	(25)	35	580	-	430
Actively Involved in Community	12,000	-	265	8,962	-	3,303
CRU (Agape)	6,000	-	281	5,631	-	650
Art Exhibition Association	5,000	-	372	5,470	-	(98)
Sexual Health Awareness Club	7,000	-	-	4,772	-	2,228
Ambassadors	2,200	-	-	1,912	-	288
Code Red	-	-	-	28	-	(28)
American Heart Association	1,200	-	91	291	-	1,000
ASL-American Sign Language	2,500	5,550	1,190	9,047	-	193
BASIC	5,000	1,164	10	6,135	-	39
Black Student Union	20,000	2,000	1,473	21,097	-	2,376
Carribbean Student Association	15,000	-	5,108	17,883	-	2,225
Student Alliance For Ending Rape	8,000	-	112	2,232	-	5,880
Colleges Against Cancer	9,000	-	191	7,337	-	1,854
Athletic Training Association	10,000	(25)	2,125	11,662	-	438
Cortland State Emergency Squad	41,000	5,836	-	51,868	39,518	(44,550)
CSTV-60	30,000	-	-	4,609	11,380	14,011
Entrepreneurship Club	2,000	(25)	-	-	-	1,975
Inclusive Education Club	1,000	-	141	1,067	-	74
FIT Club	2,500	(2,500)	-	-	-	-
Spectrum-Cortland Gay/Straight	8,000	14,975	1,715	21,752	-	2,938
Habitat For Humanity	2,000	-	185	1,480	-	705
International Awareness Club	1,350	-	105	598	-	857
Hillel (Jewish Studies)	13,500	(25)	264	8,024	-	5,715
Hippies for Hope	-	500	775	412	-	863
INTERFAITH CREW	1,000	-	-	538	-	462
La Familia Latinos	14,000	(25)	175	7,420	-	6,730
Model U.N.	8,000	3,475	3,100	14,350	-	225
Cortland A Capella	2,000	-	261	534	-	1,727
College Singers	8,600	-	-	554	-	8,046
Gospel Choir	22,600	3,000	287	19,735	-	6,152
Men of Values & Excellence	8,195	2,220	2,589	9,305	-	3,699
Catholic Students Club	2,000	(50)	-	-	-	1,950
Non-Traditional Students Org.	6,000	-	-	4,697	-	1,303
(ACME) Asian Culture & Media	2,000	-	-	798	-	1,202
Dragon Chronicle	6,000	-	8,986	11,811	-	3,175
Pan-African Students Assoc.	10,000	9,475	189	18,792	-	872
Speak-The Magazine	13,500	(1,000)	705	11,856	-	1,349
SPARK (Student Alumni)	15,000	(25)	-	12,154	-	2,821
Sports Management Club	18,000	-	1,609	16,084	-	3,525
Cortland Wishmakers	800	-	110	406	-	504
Cortland Writers Association	6,000	8,975	1,467	4,410	-	12,032
Women Of Color	8,800	-	43	4,487	-	4,356
WSUC-FM	22,000	-	-	14,776	-	7,224
Young Americans for Liberty	-	750	50	679	-	121
Total organizational clubs:	379,745	54,220	34,009	346,235	50,898	70,841

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STUDENT GOVERNMENT ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES BY ORGANIZATION
FOR THE YEAR ENDED JUNE 30, 2017

(Continued)

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Balance carried forward	379,745	54,220	34,009	346,235	50,898	70,841
Academic clubs:						
Association of PE Majors	12,000	-	2,409	11,642	-	2,767
Biology Club	5,000	-	-	4,396	-	604
SUNY Cortland Rec. Assoc.	4,400	-	164	3,585	-	979
Chemistry Club	5,000	-	633	5,050	-	583
Criminology Club	1,000	(25)	-	-	-	975
Economics Club	1,000	(50)	-	108	-	842
Education Club	6,000	-	1,242	6,157	-	1,085
Geology Club	3,650	6,000	1,823	10,917	-	556
History Club	900	(25)	-	133	-	742
Inclusive Recreation	1,000	-	165	958	-	207
Math Club	2,000	-	-	600	-	1,400
Philosophy Club	1,000	-	-	165	-	835
Physics Club	9,000	-	-	8,966	-	34
Political Science Association	4,750	-	-	3,647	-	1,103
PreMed Club	1,500	-	350	1,203	-	647
Psychology Club	900	-	182	608	-	474
Sociology/Anthropology	2,500	-	-	1,188	-	1,312
Spanish Club	1,000	500	-	1,388	-	112
Speech & Hearing	11,000	3,000	2,061	14,426	-	1,635
Urban Education	2,000	(25)	-	400	-	1,575
Total academic clubs:	75,600	9,375	9,029	75,537	-	18,467
Student activities board:						
SAB-General	4,000	-	3	1,145	-	2,858
SAB-APCA	3,000	-	-	4,465	-	(1,465)
SAB-Major Events	12,000	8,000	5,510	27,149	-	(1,639)
SAB-Comedy/Lecture	22,500	-	-	18,708	-	3,792
SAB-Music/Cortaca	20,000	-	1,865	20,968	-	897
SAB-Promotions	6,000	-	401	5,854	-	547
SAB-Siblings Weekend	6,000	-	1,600	6,088	-	1,512
SAB-Spring Fling Concert	15,000	118,000	76,502	172,971	-	36,531
SAB-Spring Fling Carnival	10,000	-	-	7,333	-	2,667
SAB-Excursions	12,000	-	4,190	13,907	-	2,283
Total student activities	110,500	126,000	90,071	278,588	-	47,983
Student government:						
SGA-General	88,000	-	-	68,509	-	19,491
SGA-Operational	44,575	-	-	17,469	-	27,106
SGA-Salaries	57,291	-	-	49,788	-	7,503
SGA-Tutor Payroll	67,000	-	-	67,000	-	-
SGA-Programming	39,700	-	781	39,409	-	1,072
SGA-ASCAP	2,100	-	-	-	-	2,100
SGA-NYPIRG	35,000	-	-	35,000	-	-
SGA-Contingency	50,000	(44,045)	4,450	6,190	-	4,215
Total student government	383,666	(44,045)	5,231	283,365	-	61,487
Total organizational activities	\$ 949,511	\$ 145,550	\$ 138,340	\$ 983,725	\$ 50,898	\$ 198,778

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, 2017**

	Approved Net Budget (Unaudited)	Contingency Allocations	Organization Generated Revenues	Expenses	Capitalized Equipment	Amount Unexpended (Overexpended)
Referendum approved expenditures:						
Pan-African Student Assoc. (Fashion Show)	\$ 8,000	\$ -	\$ -	\$ 8,000	\$ -	\$ -
Spectrum (Drag Show)	15,000	-	-	15,000	-	-
Cortland Writers Association (Speaker)	9,000	-	-	9,000	-	-
SAB-Spring Fling Concert (Artist)	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>118,000</u>	<u>-</u>	<u>-</u>
Total referendum approved expenditures	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these schedules.