

# RECORDS OF THE FACULTY- STUDENT ASSOCIATION

FINANCIAL STATEMENT  
JUNE 30, 2017

ALL RECORDS CONTAINED HAVE BEEN  
DIGITIZED AND ARE AVAILABLE ON THE  
SUNY BUFFALO STATE DIGITAL COMMONS AT  
[DIGITALCOMMONS.BUFFALOSTATE.EDU/FSA](http://DIGITALCOMMONS.BUFFALOSTATE.EDU/FSA)

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.

Financial Statements

June 30, 2017 and 2016

(With Independent Auditors' Report)

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 10

\* \* \* \* \*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Faculty-Student Association of State  
University College at Buffalo, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Faculty-Student Association of State University College at Buffalo, Inc. (the Corporation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to 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 Corporation'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 Corporation'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 Faculty-Student Association of State University College at Buffalo, Inc. 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
July 28, 2017

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Statements of Financial Position  
June 30, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and equivalents	\$ 97,741	101,327
Prepaid expenses	62	62
Total current assets	97,803	101,389
Investments, at fair value	1,097,751	1,024,931
Total assets	\$ 1,195,554	1,126,320
<u>Liabilities and Net Assets</u>		
Current liabilities - accounts payable	153	320
Unrestricted net assets:		
Board designated:		
Designated for working capital	63,919	58,854
Designated for Founders Fund	1,097,751	1,030,113
Designated for College programs	12,702	18,004
Designated for Whispering Pines	21,029	19,029
Total unrestricted net assets	1,195,401	1,126,000
Total liabilities and net assets	\$ 1,195,554	1,126,320

See accompanying notes to financial statements.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Statements of Activities  
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue:		
Interest and dividends	\$ 48,192	61,028
Net appreciation (depreciation) in fair value of investments	73,423	(65,397)
Realized gains on redemptions of investments	1,985	243
Miscellaneous	<u>-</u>	<u>290</u>
Total revenue (loss)	<u>123,600</u>	<u>(3,836)</u>
Expenses:		
Program services	33,495	30,980
Management and general	<u>20,704</u>	<u>23,279</u>
Total expenses	<u>54,199</u>	<u>54,259</u>
Increase (decrease) in unrestricted net assets	69,401	(58,095)
Unrestricted net assets at beginning of year	<u>1,126,000</u>	<u>1,184,095</u>
Unrestricted net assets at end of year	<u>\$ 1,195,401</u>	<u>1,126,000</u>

See accompanying notes to financial statements.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Statement of Functional Expenses  
Year ended June 30, 2017

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Expenses:			
Salaries	\$ -	11,946	11,946
Payroll taxes and benefits	-	1,062	1,062
Total salaries and related benefits	-	13,008	13,008
Communications	-	288	288
Contractual services	-	4,466	4,466
Insurance	-	1,132	1,132
Miscellaneous expense	-	10	10
Payroll services	-	749	749
Rent	-	900	900
Supplies	-	151	151
Board of Directors	209	-	209
Bystander Intervention	215	-	215
Caribash	2,912	-	2,912
Chemistry/Physics Series	1,665	-	1,665
Conflict Resolution	859	-	859
Dance and Stroll	1,500	-	1,500
Dawn Porter Lecture	1,532	-	1,532
Dortmund Immersion	180	-	180
Laura Hinton Lecture	500	-	500
EOP Celebration	4,475	-	4,475
Fashion in History/Art	618	-	618
Howard Beach Photography	2,273	-	2,273
Public Service Recognition	3,000	-	3,000
Pulse Leaders	1,050	-	1,050
Robin Mitchell Lecture	808	-	808
Student Summit	4,000	-	4,000
Whispering Pines Educational Development Fund	3,000	-	3,000
Women Performance Festival	4,000	-	4,000
Xquizit Movers	699	-	699
Total expenses	<u>\$ 33,495</u>	<u>20,704</u>	<u>54,199</u>

See accompanying notes to financial statements.



FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Statement of Functional Expenses  
Year ended June 30, 2016

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Expenses:			
Salaries	\$ -	11,946	11,946
Payroll taxes and benefits	-	1,100	1,100
Total salaries and related benefits	-	13,046	13,046
Communications	-	238	238
Contractual services	-	7,500	7,500
Insurance	-	975	975
Miscellaneous expense	-	200	200
Payroll services	-	740	740
Supplies	-	580	580
Algebra Content	489	-	489
Beyond the Bachelors	889	-	889
Black Cross	2,600	-	2,600
Board of Directors	330	-	330
Brittney Cooper Lecture	1,283	-	1,283
Bystander Intervention	131	-	131
Caribash	3,123	-	3,123
Century of Black Life	56	-	56
Chemistry/Physics Series	1,225	-	1,225
Fashion Crossroads	2,625	-	2,625
Meet & Greet	2,867	-	2,867
MLK Celebration	2,800	-	2,800
Mood Disorder	1,013	-	1,013
Mordecai Lecture	440	-	440
PHAT Pageant	1,093	-	1,093
Preventing Violence	248	-	248
Refugees	986	-	986
Roslyn Ruff Lecture	179	-	179
Sabrina Schmidt Gordon Lecture	2,219	-	2,219
Sexclusive	2,112	-	2,112
Whispering Pines Educational Development Fund	2,148	-	2,148
Women Little Vietnam	1,089	-	1,089
Wonder Makers	335	-	335
Ukraine Student Activism	700	-	700
Total expenses	<u>\$ 30,980</u>	<u>23,279</u>	<u>54,259</u>

See accompanying notes to financial statements.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Statements of Cash Flows  
Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 69,401	(58,095)
Adjustments to reconcile increase (decrease) in unrestricted net assets to net cash provided by (used in) operating activities:		
Net (appreciation) depreciation in fair value of investments	(73,423)	65,397
Realized gains on redemptions of investments	(1,985)	(243)
Changes in accounts payable	<u>(167)</u>	<u>191</u>
Net cash provided by (used in) operating activities	<u>(6,174)</u>	<u>7,250</u>
Cash flows from investing activities:		
Proceeds from redemptions of investments	50,780	70,000
Purchases of investments	<u>(48,192)</u>	<u>(61,028)</u>
Net cash provided by investing activities	<u>2,588</u>	<u>8,972</u>
Net increase (decrease) in cash	(3,586)	16,222
Cash at beginning of year	<u>101,327</u>	<u>85,105</u>
Cash at end of year	<u>\$ 97,741</u>	<u>101,327</u>

See accompanying notes to financial statements.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.

Notes to Financial Statements

June 30, 2017 and 2016

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Faculty-Student Association of State University College at Buffalo, Inc. (the Corporation) is a not-for-profit educational and benevolent membership corporation organized under the laws of the State of New York which has been granted exemption from federal income taxes. The general purposes of the Corporation are to establish, operate, manage, promote and cultivate educational activities and relationships incidental thereto, by, between and among the students and faculty.

Upon the dissolution of the Corporation, the certificate of incorporation provides that the Board of Directors shall dispose of all of the Corporation's assets by transfer to SUNY Buffalo State or to such other campus approved not-for-profit organizations organized exclusively for educational, charitable or scientific purposes. At the Corporation's 493<sup>rd</sup> meeting, the Board amended its By-laws to establish a process to identify such organizations, and to determine the amount or percentage to be allocated to each. Within 45 days of the duly authorized dissolution of the Corporation, a proposed list shall be submitted for consideration at least 15 days prior to the next board meeting. At that meeting, the Board shall vote on the proposal. A supermajority vote of the entire Board shall be necessary to approve the final distribution of assets.

The Corporation operates under the guidelines established by the State University of New York which outlines financial and budgetary policies, restrictions, covenants and agreements in the activities and services permitted.

(b) Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Corporation 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. The Corporation had only unrestricted net assets as of June 30, 2017 and 2016. Unrestricted net assets are net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Corporation's Board of Directors.

(d) Use of Estimates

The preparation of financial statements in accordance 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.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Description of Board Designated Funds

Board designated funds have been established to group certain activities of the Corporation and to reflect Board designated restrictions, if any, on the use of funds as follows:

Operating Fund - These funds may be used for corporate purposes under control of the Board of Directors and in accordance with the guidelines for operating auxiliary services corporations of the State University of New York.

Board Designated Founders Fund - The Board of Directors of the Corporation has designated and set aside one million dollars as nonexpendable principal to be invested for providing income for normal business operations, and for supporting the academic and cultural life on campus. The Board of Directors is responsible for developing the investment strategy and appropriate guidelines for the use of these funds. The nonexpendable principal is to be increased by at least 50% of all income generated in excess of \$100,000 in any fiscal year, and becomes the minimum nonexpendable principal. All expendable distributions were to come from the previous fiscal year's income after expenses for current operations. The nonexpendable principal at June 30, 2017 and 2016 was \$1,031,525 and \$1,030,113, respectively. The Board of Directors can spend this nonexpendable principal with the passing of a Board resolution.

Whispering Pines Educational Development Fund - A separate checking account was authorized by the Board of Directors to facilitate more frequent expenditures being incurred for the college camp. The balance in this account was \$21,029 and \$19,029 at June 30, 2017 and 2016, respectively, and is included in cash and equivalents on the statements of financial position.

(f) Cash and Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(h) Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes is reflected in the financial statements. Management believes there are no uncertain tax positions that require adjustment or disclosure in the financial statements.

(i) Reclassifications

Reclassifications have been made to certain 2016 balances in order to conform them to the 2017 presentation.

FACULTY-STUDENT ASSOCIATION OF  
STATE UNIVERSITY COLLEGE AT BUFFALO, INC.

Notes to Financial Statements, Continued

**(2) Investments**

**Financial Investments**

The cost and fair value of investments at June 30, 2017 and 2016 is summarized as follows:

	2017		2016	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
U.S. Treasury	\$ 13,853	13,853	13,781	13,781
TIAA-CREF Managed Allocation Fund	979,563	1,080,674	979,462	1,007,150
TIAA-CREF Money Market Fund	<u>3,224</u>	<u>3,224</u>	<u>4,000</u>	<u>4,000</u>
Total investments	<u>\$ 996,640</u>	<u>1,097,751</u>	<u>997,243</u>	<u>1,024,931</u>

Investments are stated at fair value. The fair value of investments is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation or depreciation is included in the statements of activities.

Investments at June 30, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Board designated for Founders Fund	\$ <u>1,097,751</u>	<u>1,024,931</u>

**Fair Value Measurements**

Fair value measurements provide 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 assets and liabilities are those whose inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access. The Corporation holds investments with a quoted prices in active markets for identical assets (Level 1) of \$1,097,751 and \$1,024,931 at June 30, 2017 and 2016, respectively.

**(3) Retirement Benefit Plan**

The Corporation provides retirement benefits for employees through the Teachers Insurance and Annuity Association and College Retirement Equities Fund. No material unfunded liability for past service costs exists.