

**BINGHAMTON AUXILIARY SERVICES CORPORATION**

**Financial Statements as of  
June 30, 2019 and 2018  
Together with Independent  
Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

September 26, 2019

To the Board of Directors  
Binghamton Auxiliary Services Corporation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Binghamton Auxiliary Services Corporation (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Binghamton Auxiliary Services Corporation as of June 30, 2019, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Financial Statements**

The financial statements of Binghamton Auxiliary Services Corporation as of June 30, 2018, were audited by other auditors whose report dated October 5, 2018, expressed an unmodified opinion on those statements.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, the Corporation implemented Accounting Standards Update 2016-14, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash	\$ 168,356	\$ 112,672
Total assets	<u>\$ 168,356</u>	<u>\$ 112,672</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 438	\$ -
Total liabilities	<u>438</u>	<u>-</u>
Net assets without donor restrictions	<u>167,918</u>	<u>112,672</u>
Total liabilities and net assets	<u>\$ 168,356</u>	<u>\$ 112,672</u>

The accompanying notes are an integral part of these financial statements.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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	<u>2019</u>	<u>2018</u>
SUPPORT AND REVENUE:		
Contract revenues	\$ 70,248	\$ 38,295
Contributed university support - start up costs	<u>1,794</u>	<u>13,864</u>
Total support and revenue	<u>72,042</u>	<u>52,159</u>
EXPENSES:		
Program services expenses		
Other student/faculty services	474	-
Other student services	608	-
Supporting services expenses		
General administrative expenses	13,920	9,083
Contributed university support - start up costs	<u>1,794</u>	<u>13,864</u>
Total expenses	<u>16,796</u>	<u>22,947</u>
CHANGE IN NET ASSETS	55,246	29,212
NET ASSETS - beginning of year	<u>112,672</u>	<u>83,460</u>
NET ASSETS - end of year	<u>\$ 167,918</u>	<u>\$ 112,672</u>

The accompanying notes are an integral part of these financial statements.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019

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	<u>Program Services</u>		<u>General &amp; Administrative</u>	<u>Total</u>
	<u>Other Student/ Faculty Services</u>	<u>Other Student Services</u>		
Contributed University support - start up costs	\$ -	\$ -	\$ 1,794	\$ 1,794
Salaries	474	608	4,516	5,598
Professional service fees	-	-	5,350	5,350
Insurance	-	-	1,507	1,507
Postage	-	-	1,318	1,318
Bank fees	-	-	658	658
Other	-	-	571	571
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Total expenses	<u>\$ 474</u>	<u>\$ 608</u>	<u>\$ 15,714</u>	<u>\$ 16,796</u>

The accompanying notes are an integral part of these financial statements.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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	<u>2019</u>	<u>2018</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 55,246	\$ 29,212
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Changes in:		
Accounts payable	<u>438</u>	<u>-</u>
Net cash flow from operating activities	<u>55,684</u>	<u>29,212</u>
CHANGE IN CASH	55,684	29,212
CASH - beginning of year	<u>112,672</u>	<u>83,460</u>
CASH - end of year	<u>\$ 168,356</u>	<u>\$ 112,672</u>

The accompanying notes are an integral part of these financial statements.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

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### 1. NATURE OF OPERATIONS

The Binghamton Auxiliary Services Corporation ("the Corporation") was formed to aid, assist and service the students, faculty, administrative staff, alumni and others in the college community of Binghamton University through the provision of auxiliary services, such as, by way of example and not limited to, food services, book store operations, vending and game machines, copying services, printing services, computer services and other related enterprises.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### **Financial Reporting**

The Corporation reports its activities and the related net assets using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not made any board designations from these net assets.

- **Net Assets With Donor Restrictions**

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Corporation had no assets with donor restrictions as of June 30, 2019 and 2018.

#### **Cash**

Cash includes demand deposit accounts, which at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to its cash.

#### **Income Taxes**

The Corporation is a not-for-profit organization and is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Corporation 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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

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### **Functional Allocation of Expenses**

The costs of program and supporting service activities is summarized on a functional basis in the statement of activities and statement of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salary expense is allocated based on timesheets prepared by personnel. General and administrative expenses include costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Corporation. There are no fundraising expenses.

### **Cash Flows**

For purposes of the statements of cash flows, the Corporation uses the indirect method of reporting net cash flows from operating activities, and considers all short-term investments with an original maturity of three months or less to be cash equivalents. At June 30, 2019 and 2018, there were no cash equivalents.

### **Revenue and Expense Recognition**

Revenue is recognized when earned and expenses are recognized when incurred. The Corporation has elected to record revenue and corresponding expense, the value of contributed start-up salaries and other administrative support provided by Binghamton University. The total amount of such support for the years ended June 30, 2019 and 2018 was \$1,794 and \$13,864, respectively.

### **Change in Accounting Principle**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, with the purpose of improving financial reporting by not-for-profit (NFP) entities. ASU 2016-14 changes the presentation and accounting for non-for-profit Corporation's financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restrictions and net assets without donor restrictions);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an entity's liquidity and availability of resources; and
- Accounting for underwater endowment funds.

ASU 2016-14 is effective for the Corporation's year ending June 30, 2019 and was applied retrospectively with the exception of the presentation of expenses in both natural and functional classifications and the disclosures regarding liquidity and availability of resources. The effects of this ASU have been included in these financial statements. There was no effect on total net assets or changes in net assets.

# BINGHAMTON AUXILIARY SERVICES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

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### 3. AFFILIATED ORGANIZATION

The Corporation is affiliated with the State University of New York at Binghamton (the University). The Corporation follows the State University of New York Guidelines for Auxiliary Services Corporations (ASC). The Corporation shares facilities with Binghamton University and may coordinate with the University in various respects. The University will oversee the activities of the Corporation through contracts with the Corporation, as well as representation on the Board of Directors of the Corporation.

The ASC Model Contract with the State University of New York was approved and became effective August 31, 2018.

### 4. LIQUIDITY

The Corporation has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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

	<u>2019</u>
Cash	\$ <u>168,356</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>168,356</u>

### 5. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through September 26, 2019, which is the date the financial statements were available to be issued.