

BINGHAMTON AUXILIARY SERVICES CORPORATION

**Financial Statements as of
June 30, 2021 and 2020
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 5, 2021

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, 2021 and 2020, and the related statements of activities, functional expenses, 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.

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 audits 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.

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, 2021 and 2020, 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.

BINGHAMTON AUXILIARY SERVICES CORPORATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 237,406	\$ 226,302
Accounts receivable	<u>21,852</u>	<u>-</u>
Total assets	<u>\$ 259,258</u>	<u>\$ 226,302</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 22,365	\$ 7,584
Deferred revenue	<u>2,500</u>	<u>-</u>
Total liabilities	<u>24,865</u>	<u>7,584</u>
Net assets without donor restrictions	<u>234,393</u>	<u>218,718</u>
Total liabilities and net assets	<u>\$ 259,258</u>	<u>\$ 226,302</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE:		
Commission revenues	\$ 41,871	\$ 44,984
Rental income	30,000	30,000
Other income	<u>65,169</u>	<u>12,950</u>
Total support and revenue	<u>137,040</u>	<u>87,934</u>
EXPENSES:		
Program services expenses		
Other student/faculty services	4,000	639
Other student services	8,000	256
Supporting services expenses		
General administrative expenses	<u>109,365</u>	<u>36,239</u>
Total expenses	<u>121,365</u>	<u>37,134</u>
CHANGE IN NET ASSETS	15,675	50,800
NET ASSETS - beginning of year	<u>218,718</u>	<u>167,918</u>
NET ASSETS - end of year	<u>\$ 234,393</u>	<u>\$ 218,718</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, 2021

(With comparative totals for the year ended June 30, 2020)

	<u>Program Services</u>		<u>General &</u>	<u>2021</u>	<u>2020</u>
	<u>Other Student/ Faculty Services</u>	<u>Other Student Services</u>	<u>Administrative</u>	<u>Total</u>	<u>Total</u>
Professional service fees	\$ -	\$ -	\$ 76,943	\$ 76,943	\$ 25,510
Salaries	4,000	8,000	28,000	40,000	7,584
Insurance	-	-	1,626	1,626	1,577
Postage	-	-	1,320	1,320	1,310
Bank fees	-	-	1,313	1,313	600
Other	-	-	163	163	553
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 4,000</u>	<u>\$ 8,000</u>	<u>\$ 109,365</u>	<u>\$ 121,365</u>	<u>\$ 37,134</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, 2020

	<u>Program Services</u>		<u>General &</u>	<u>Total</u>
	<u>Other Student/ Faculty Services</u>	<u>Other Student Services</u>	<u>Administrative</u>	
Professional service fees	-	-	\$ 25,510	25,510
Salaries	\$ 639	\$ 256	6,689	\$ 7,584
Insurance	-	-	1,577	1,577
Postage	-	-	1,310	1,310
Bank fees	-	-	600	600
Other	-	-	553	553
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 639</u>	<u>\$ 256</u>	<u>\$ 36,239</u>	<u>\$ 37,134</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 15,675	\$ 50,800
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Changes in:		
Accounts receivable	(21,852)	-
Accounts payable	14,781	7,146
Deferred revenue	<u>2,500</u>	<u>-</u>
Net cash flow from operating activities	<u>11,104</u>	<u>57,946</u>
CHANGE IN CASH	11,104	57,946
CASH - beginning of year	<u>226,302</u>	<u>168,356</u>
CASH - end of year	<u>\$ 237,406</u>	<u>\$ 226,302</u>

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

BINGHAMTON AUXILIARY SERVICES CORPORATION

NOTES TO FINANCIAL STATEMENTS

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, 2021 and 2020.

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.

Accounts Receivable

The Corporation collects quarterly royalty payments on behalf of Binghamton University Athletics Department. Accounts receivable represent amounts outstanding under the terms of the royalty agreement.

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.

BINGHAMTON AUXILIARY SERVICES CORPORATION

NOTES TO FINANCIAL STATEMENTS

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.

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 estimated time spent 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, 2020 and 2019, there were no cash equivalents.

Revenue Recognition

The Corporation receives commission income in connection with rental of refrigerators to students and the sale of commencement photos. Commission income is recorded at the amount the Corporation receives based upon amounts stipulated in contracts with third party companies. The performance obligation is met at the point in time when the student signs the agreement and payment is made to the third party company.

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.

BINGHAMTON AUXILIARY SERVICES CORPORATION

NOTES TO FINANCIAL STATEMENTS

4. RENTAL INCOME

The Corporation leases space to a financial institution under a noncancellable lease that expires in 2023. The expected future minimum rental income is as follows for the years ending June 30:

2022	\$	30,000
2023		<u>30,000</u>
	\$	<u>60,000</u>

5. 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>2021</u>	<u>2020</u>
Cash	\$ 237,406	\$ 226,302
Accounts receivable	<u>21,852</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 259,258</u>	<u>\$ 226,302</u>

6. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through October 5, 2021, which is the date the financial statements were available to be issued.