

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
FINANCIAL REPORT
MAY 31, 2016**

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE**

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INDEPENDENT AUDITOR'S REPORT

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Timothy A. Reynolds, CPA

Heather R. Lewis, CPA

Heather D. Patten, CPA

To the Chair of the
Faculty-Student Association of
Schenectady County Community College

Report on the Financial Statements

We have audited the accompanying financial statements of the Faculty-Student Association of Schenectady County Community College (the Association), which comprise the balance sheets as of May 31, 2016 and 2015, and the related statements of activities 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 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 the Faculty-Student Association of Schenectady County Community College as of May 31, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of bookstore income, the schedules of cost of sales, and the schedule of functional expenses on pages 14 - 15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marvin and Company, P.C.

Latham, NY

September 23, 2016

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE, INC.
BALANCE SHEETS
MAY 31, 2016 AND 2015**

ASSETS

	2016	2015
Current Assets		
Cash and cash equivalents - unreserved	\$ 426,744	\$ 330,067
Cash - reserved	145,534	218,169
Accounts receivable - current portion, net of allowance	125,623	46,441
Prepaid expenses	27,734	18,356
Prepaid books	271,320	222,807
Inventory	468,570	567,066
Total Current Assets	1,465,525	1,402,906
Other Assets		
Investments - deferred compensation	326,676	301,854
Investments - other	259,834	214,242
Accounts receivable, net of current portion	75,000	-
Furniture, equipment and improvements at cost, net of accumulated depreciation of \$433,072 and \$372,986 respectively	873,063	918,089
Total Other Assets	1,534,573	1,434,185
TOTAL ASSETS	\$ 3,000,098	\$ 2,837,091

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 246,048	\$ 202,946
Accrued expenses	58,315	45,331
Deferred revenue - current portion	15,000	-
Total Current Liabilities	319,363	248,277
Other Liabilities		
Deferred compensation payable	326,676	301,854
Deferred revenue, net of current portion	75,000	-
Total Other Liabilities	401,676	301,854
Total Liabilities	721,039	550,131
Net Assets		
Unrestricted	2,133,525	2,068,791
Board designated	145,534	218,169
Total Net Assets	2,279,059	2,286,960
TOTAL LIABILITIES AND NET ASSETS	\$ 3,000,098	\$ 2,837,091

See accompanying notes to financial statements.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenues		
Bookstore sales	\$ 2,695,696	\$ 3,126,830
SGA contract	20,460	20,460
Interest income and realized and unrealized gains/(losses)	(4,368)	16,388
Food service commission	7,547	9,006
Foundation contractual fees	15,000	15,000
Other commission	45,190	27,618
SUNY Child Care Grant	46,087	31,153
Textbook rental fees	34,933	30,742
Cap and gown fees	16,090	13,830
Other	18,927	32,109
Total Revenues	<u>2,895,562</u>	<u>3,323,136</u>
Program Service Expenses		
Child Care expenses	49,205	31,153
Faculty-student organization expense	214,360	214,894
Total Program Service Expenses	<u>263,565</u>	<u>246,047</u>
Operating Expenses		
Advertising	1,954	2,133
Bad debts	3,398	9,124
Bank service charges and credit card merchant charges	39,886	39,527
Depreciation	60,086	55,386
Dues and memberships	2,188	2,531
Facility fee	12,000	12,000
Freight out	11,076	13,365
Insurance	23,100	24,334
Office and operating supplies	13,296	13,263
Payroll taxes and employee benefits	100,654	141,206
Professional fees	10,679	10,490
Repairs and maintenance	37,507	35,584
Salaries	382,327	366,242
Seminars and travel	149	3,512
Telephone	3,602	3,726
Total Operating Expenses	<u>701,902</u>	<u>732,423</u>
Cost of sales	1,937,996	2,253,621
Total Expenses	<u>2,903,463</u>	<u>3,232,091</u>
Change in Net Assets	(7,901)	91,045
Net Assets, Beginning of Year	<u>2,286,960</u>	<u>2,195,915</u>
Net Assets, End of Year	<u>\$ 2,279,059</u>	<u>\$ 2,286,960</u>

See accompanying notes to financial statements.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	2016	2015
Cash Flows From Operating Activities		
Cash received from sales and commissions	\$ 2,832,350	\$ 3,298,628
Cash paid to suppliers and employees	(2,719,902)	(3,170,887)
Net Cash Provided By Operating Activities	112,448	127,741
Cash Flows From Investing Activities		
Purchases of equipment and improvements	(15,060)	(26,107)
Purchases of investments	(73,346)	(25,832)
Net Cash Used By Investing Activities	(88,406)	(51,939)
Net Increase in Cash and Cash Equivalents	24,042	75,802
Cash and Cash Equivalents, Beginning of Year	548,236	472,434
Cash and Cash Equivalents, End of Year	\$ 572,278	\$ 548,236
Reconciliation of Change in Net Assets to Net Cash Provided By Operating Activities		
Change in net assets	\$ (7,901)	\$ 91,045
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Net unrealized (gain) loss on investment	2,932	(11,710)
Bad debt expense	3,398	9,124
Depreciation	60,086	55,386
(Increase) decrease in assets:		
Cash - reserved	-	-
Accounts receivable	(157,580)	(8,120)
Inventory	98,496	5,172
Prepaid expenses	(9,378)	(466)
Prepaid books	(48,513)	(60,000)
Increase (decrease) in liabilities:		
Accounts payable	43,102	(22,949)
Accrued expenses	12,984	36,743
Deferred revenue	90,000	-
Deferred compensation payable	24,822	33,516
Net Cash Provided By Operating Activities	\$ 112,448	\$ 127,741

See accompanying notes to financial statements.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Faculty-Student Association of Schenectady County Community College (the Association) is a not-for-profit corporation established under the membership corporation laws of New York State to provide, operate and manage services authorized by the Schenectady County Community College Board of Trustees (the College) in furtherance of educational activities. The Association entered into an agreement with the College, which expires May 31, 2018. Among other things, the College President approves the Association's annual operating budget prior to the release of any funds collected by the College for authorized services. The agreement authorizes the Association to provide food services, child care services and to operate the College bookstore as well as to provide other miscellaneous services. The Association has subcontracted with various vendors to provide food services, vending services and child care services. The College bookstore is operated by the Association as a separate fund.

The Association is governed by a 15 member Board of Directors. The Board is comprised of 4 presidential appointees, 4 full-time elected faculty and 7 students (3 Student Government Executives and 4 are student appointees.)

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

Related Parties

In addition to the activities with the College as noted above, the Association provides bookkeeping services to the Student Government Association of the Schenectady County Community College at an approximate fee of \$20,000 which is recorded on the SGA contract line on the statements of activities.

Financial Statement Presentation

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. There were no temporarily or permanently restricted net assets at May 31, 2016 and 2015.

The financial records of the Association are maintained in accordance with the principles of fund accounting, whereby resources and expenditures are classified into funds according to specified purposes or restrictions. The Association has two fund types which together comprise unrestricted net assets.

(a) Operating Fund

This includes all revenue and expenses over which the governing Board retains full control to use in achieving its stated purpose of providing auxiliary services to aid students, faculty, and staff in achieving the overall objectives of the College.

(b) College Bookstore Fund

This fund accounts for the operation of the College bookstore.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

At May 31, 2016, reserved cash consists of \$120,534 reserved for equipment replacement and \$25,000 reserved for short-term needs.

At May 31, 2015, reserved cash consisted of \$118,169 reserved for equipment replacement and \$100,000 reserved for short-term needs.

Inventory

Inventory is carried at the lower of cost (first-in, first-out basis) or market.

Board Designated

Board designated funds consist of amounts reserved for equipment replacement and short-term needs.

Reserve for Equipment Replacement

The reserve for equipment replacement was established in the February 8, 1993 agreement with the College to provide funds for the repair and replacement of College owned equipment. The change in the reserve from the preceding year's balance is as follows:

Balance, May 31, 2014	\$ 111,835
Increase - food service commissions	9,006
Decrease - equipment repair and subsidy	(2,679)
Interest	<u>7</u>
Balance, May 31, 2015	<u>\$ 118,169</u>
Balance, May 31, 2015	\$ 118,169
Increase - food service commissions	7,547
Decrease - equipment repair and subsidy	(5,183)
Interest	<u>1</u>
Balance, May 31, 2016	<u>\$ 120,534</u>

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reserve for Short Term Needs

The reserve for short term needs was established by the Board of Directors at the November 16, 2006 meeting to provide for current needs of the College. The change in the reserve from the preceding year's balance is as follows:

Balance, May 31, 2014	\$ 250,000
Board approved decrease	<u>(150,000)</u>
Balance, May 31, 2015	100,000
Board approved decrease	<u>(75,000)</u>
Balance, May 31, 2016	<u>\$ 25,000</u>

Investments

Investments are recorded at fair value. Unrealized gains and losses are recorded in the Statement of Activities.

Furniture, Equipment and Improvements and Depreciation

Furniture, equipment and improvements are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Furniture and equipment are depreciated over 5 to 10 years; improvements are amortized over 31.5 years.

Maintenance and repairs are charged to operations when incurred, betterments and renewals are capitalized.

Use of 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 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

The Association uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, the allowance was \$22,000 for each year as of May 31, 2016 and 2015. Receivables also include \$90,000 related to a vending contract payable in annual installments of \$15,000; the amount was not discounted because it was not significant.

Deferred Revenue

Deferred revenue consists primarily of an exchange contract with the terms that extend beyond the balance sheet date. Revenue will be recognized as contributions in the period in which the entity realizes the contribution.

Tax Status

The Association is exempt from federal income taxes as it is a blended component unit of Schenectady County Community College and operates under its charter. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. Management of the Association is not aware of any events that could jeopardize tax-exempt status. Therefore, no liability or provision for uncertain tax positions has been reflected in the financial statements. The Association is subject to routine audits by taxation jurisdictions; however, there are currently no audits for any tax periods in progress.

Revenue Recognition

Contributions

All funding is considered available for the Association's operating fund unless specifically restricted by the funding agency. Amounts received that are designated for future periods or restricted by the funding agency are reported as temporarily or permanently restricted support and increase the respective class of net assets. Funding received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Bookstore Sales

The Association receives revenue from the sales of books and other merchandise. Sales are recognized when shipped to or picked up by the customer.

Other Revenues

The remaining revenue categories are recognized as revenue when earned.

Reclassifications

Certain 2015 amounts in the accompanying financial statements have been reclassified to conform with the 2016 presentation.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

2. OPERATIONS

The Association entered into an agreement to subcontract the Student Commons (food service) operation through May 31, 2018. The Association retains responsibility for utilities and equipment repair. The Association will receive \$10,000 over the term of the three year contract and receive commissions of guaranteed amounts and the potential for additional amounts based on attaining certain net sales levels.

The Association opened a child care center (Center) on September 1, 1992 and has contracted with the YWCA of Northeastern New York to operate the Center. The Center is designed to be self-supporting. The Association will not fund any deficits unless they have prior approval in the budget.

3. FURNITURE, EQUIPMENT AND IMPROVEMENTS, NET

A summary of the Association's furniture, equipment and improvements, net is as follows:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 471,611	\$ 456,551
Improvements	<u>834,524</u>	<u>834,524</u>
Total	1,306,135	1,291,075
Less accumulated depreciation	<u>433,072</u>	<u>372,986</u>
Net Furniture, Equipment, and Improvements	<u>\$ 873,063</u>	<u>\$ 918,089</u>

4. CONCENTRATION OF CREDIT RISK

As of May 31, 2016, the Association had bank balances totaling \$531,310. The balance in excess of FDIC limits, approximately \$184,000 is collateralized under the College's collateral agreement.

5. INVESTMENTS AND DEFERRED COMPENSATION AGREEMENTS

Investments consist of mutual funds. A portion of the investments reported on the balance sheet represent certain amounts set aside in accordance with deferred compensation agreements. The Association has entered into deferred compensation agreements with several key employees. All full time employees are eligible to receive the benefit. The agreements require a percentage of salaries to be paid into separate accounts for the benefit of each employee. The Association retains title to and beneficial ownership of the accounts until termination of employment, at which time the balance in the account is paid out in accordance with the agreements. These assets are subject to claims of the Association's general creditors in the event of bankruptcy. The investments are reported based on readily determinable fair values and as deferred compensation payable as of May 31.

The Association recorded the annual deferred compensation payments in employee benefits expense; \$25,385 and \$33,516 for the years ended May 31, 2016 and 2015, respectively. See footnote 6 for details of the fair value of this asset.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

6. FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are described as follows.

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Mutual funds are valued at the net asset value (NAV) as reported by the fund based on quoted market prices within active markets.

The Association has adopted the provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. ASU 2009-12 allows for the estimation of fair value of investments in certain investment companies for which the investment does not have a readily determinable value by using net asset value (NAV) per share or its equivalent as a practical expedient. The Association uses this practical expedient for the valuation of the mutual funds.

The per share NAV of a fund is determined by dividing the total value of the fund's securities and other assets, less liabilities, by the total number of shares outstanding. In determining NAV, fund securities listed on the national securities exchanges, the Nasdaq National Market and foreign markets are valued at the closing prices on such markets, or if such price is lacking for the trading period immediately preceding the time of determination, such securities are valued at their current bid price. Fund securities that are traded on the over-the-counter market are valued at their closing bid prices. The values of foreign securities and currencies are translated to U.S. dollars using exchange rates in effect at the time of valuation. A fund may determine the fair value of individual securities held by it, by using prices provided by one or more independent pricing services which may provide market prices to their funds, or, as needed, by obtaining market quotations from independent broker-dealers. Short-term securities maturing within 60 days are valued on the amortized cost basis.

The following table sets forth a summary of the Association's investments with a reported estimated fair value using net asset value per share as of May 31, 2016 and 2015:

	Fair Value at May 31,		Unfunded Commitments	Redemption Frequency	Redemption Period Notice
	2016	2015			
Investments	\$ <u>586,510</u>	\$ <u>516,096</u>	None	Daily	Daily

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

6. FAIR VALUE MEASUREMENTS

The methods described above may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair values. Furthermore, while the Association believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis are as follows:

Fair Value Measurements at Reporting Date Using:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
May 31, 2016				
Certificate of Deposit	\$ 50,037	\$ 50,037	\$ -	\$ -
Domestic Equity	138,937	-	138,937	-
International Equity	20,501	-	20,501	-
Blended Funds	20,571	-	20,571	-
Domestic Bond	181,382	-	181,382	-
International Bond	12,867	-	12,867	-
Government Bond	48,164	-	48,164	-
Other Bonds	11,966	-	11,966	-
Fixed Income	102,085	-	102,085	-
TOTAL	<u>\$ 586,510</u>	<u>\$ 50,037</u>	<u>\$ 536,473</u>	<u>\$ -</u>
May 31, 2015				
Domestic Equity	\$ 134,416	\$ -	\$ 134,416	\$ -
International Equity	17,427	-	17,427	-
Blended Funds	21,050	-	21,050	-
Domestic Bond	124,643	-	124,643	-
International Bond	47,300	-	47,300	-
Government Bond	66,952	-	66,952	-
Other Bonds	9,361	-	9,361	-
Fixed Income	94,947	-	94,947	-
TOTAL	<u>\$ 516,096</u>	<u>\$ -</u>	<u>\$ 516,096</u>	<u>\$ -</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended May 31, 2016 and 2015, there were no transfers in or out of levels 1, 2 or 3.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2016 AND 2015**

7. RISKS AND UNCERTAINTIES

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the balance sheet date of May 31, 2016 through September 23, 2016, which is the date these financial statements were available to be issued and have determined that there are no subsequent events that require recording or disclosure.

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE, INC.
SCHEDULES OF BOOKSTORE INCOME
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	2016		2015	
	<u>Dollars</u>	<u>% To Sales</u>	<u>Dollars</u>	<u>% To Sales</u>
Sales	\$ 2,695,696	100.0	\$ 3,126,830	100.0
Cost of Sales	<u>1,937,996</u>	<u>71.9</u>	<u>2,253,621</u>	<u>72.1</u>
Gross Profit	757,700	28.1	873,209	27.9
Operating Expenses	<u>527,647</u>	<u>19.6</u>	<u>530,753</u>	<u>17.0</u>
Income from Operations	230,053	8.5	342,456	10.9
Other Income	<u>67,952</u>	<u>2.5</u>	<u>82,211</u>	<u>2.6</u>
INCOME IN EXCESS OF EXPENSES	<u><u>\$ 298,005</u></u>	<u><u>11.0</u></u>	<u><u>\$ 424,667</u></u>	<u><u>13.5</u></u>

**FACULTY-STUDENT ASSOCIATION OF
SCHENECTADY COUNTY COMMUNITY COLLEGE, INC.
SCHEDULES OF COST OF SALES
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Inventory - beginning	\$ 567,066	\$ 572,238
Purchases - net	1,811,242	2,217,807
Freight-in	28,258	30,642
Available for sale	<u>2,406,566</u>	<u>2,820,687</u>
Less inventory - ending	<u>468,570</u>	<u>567,066</u>
Total Cost of Sales	<u>\$ 1,937,996</u>	<u>\$ 2,253,621</u>

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2016**

	<u>College Store & Convenience Store</u>	<u>Operating</u>	<u>Total</u>
Advertising	\$ 1,954	\$ -	\$ 1,954
Bad debts	3,398	-	3,398
Bank service fees and credit card merchant charges	39,886	-	39,886
Child Care expenses	-	49,205	49,205
Depreciation	60,086	-	60,086
Dues and memberships	1,500	688	2,188
Facility fee	12,000	-	12,000
Faculty-student organization expense	-	214,360	214,360
Freight out	11,076	-	11,076
Insurance	23,100	-	23,100
Office and operating supplies	12,794	502	13,296
Payroll taxes and employee benefits	75,278	25,376	100,654
Professional fees	3,445	7,234	10,679
Repairs and maintenance	30,500	7,007	37,507
Salaries	249,097	133,230	382,327
Seminars and travel	(69)	218	149
Telephone	3,602	-	3,602
Total	<u>\$ 527,647</u>	<u>\$ 437,820</u>	<u>\$ 965,467</u>