

LEHMAN COLLEGE AUXILIARY
ENTERPRISE CORPORATION

Financial Statements and
Supplementary Information

June 30, 2018 and 2017

(With Independent Auditors' Report Thereon)

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lehman College Auxiliary Enterprise Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Lehman College Auxiliary Enterprise Corporation (the Auxiliary) as of and for the years ended June 30, 2018 and 2017, and the related notes to financial statements, which collectively comprise the Auxiliary's financial statements as listed in the table of contents.

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 Auxiliary'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 Auxiliary'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 net position of Lehman College Auxiliary Enterprise Corporation as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 1, 2018

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis

June 30, 2018

The intent of Management Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of Lehman College Auxiliary Enterprise Corporation's (the Auxiliary) financial position as of June 30, 2018, and changes in net position for the year then ended. Since this MD&A is designed to focus on current activities, resulting changes, and currently known facts, it should be read in conjunction with the accompanying audited financial statements and related notes.

Financial Highlights

- The Auxiliary's total net position at June 30, 2018 was \$2,063,803, an increase of \$214,581 or 11.6% from the prior fiscal year.
- Operating revenue totaled \$1,931,676, an increase of \$170,916 or 9.7% from the prior fiscal year.
- Operating expenses totaled \$1,363,440, an increase of \$87,761 or 6.9% from the prior fiscal year.

Financial Position

The Auxiliary's net position, the difference between assets and liabilities, is one way to measure the Auxiliary's financial health. Over time, increases and decreases in the Auxiliary's net position is one indicator of an Auxiliary's long term fiscal stability.

Statements of Net Position

The following summarizes the Auxiliary's assets, liabilities and net position as of June 30, 2018 and 2017, under the accrual basis of accounting:

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percentage change</u>
Assets:				
Current assets	\$ 1,922,403	1,612,338	310,065	19.2%
Noncurrent assets	<u>506,115</u>	<u>574,560</u>	<u>(68,445)</u>	<u>(11.9%)</u>
Total assets	<u>2,428,518</u>	<u>2,186,898</u>	<u>241,620</u>	<u>11.0%</u>
Liabilities:				
Current liabilities	338,197	306,009	32,188	10.5%
Noncurrent liabilities	<u>26,518</u>	<u>31,667</u>	<u>(5,149)</u>	<u>(16.3%)</u>
Total liabilities	<u>364,715</u>	<u>337,676</u>	<u>27,039</u>	<u>8.0%</u>
Net position:				
Net investment in capital assets	320,420	399,494	(79,074)	(19.8%)
Unrestricted	<u>1,743,383</u>	<u>1,449,728</u>	<u>293,655</u>	<u>20.3%</u>
Total net position	\$ <u>2,063,803</u>	<u>1,849,222</u>	<u>214,581</u>	<u>11.6%</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis, Continued

At June 30, 2018, the Auxiliary's total assets increased by \$241,620 or 11.0%, compared to the prior fiscal year. This variance represents an increase in current assets of \$310,066 offset by a decrease in noncurrent assets of \$68,446. The increase in assets is largely attributable to the increase in income received by the Auxiliary from its revenue generating activities including, parking, facility rentals and the use of Lehman Studios.

At June 30, 2018, the Auxiliary's total liabilities increased \$27,039 or 8.0%, compared to the prior fiscal year. The major components of this variance are increases in amounts due to related parties of \$74,578, offset by decreases in accounts payable and accrued expenses of \$30,752, unearned revenue of \$11,548, and noncurrent liabilities of \$5,149.

The following illustrates the Auxiliary's net position at June 30, 2018 and 2017, by category:



LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position presents the operating results of the Auxiliary, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2018 and 2017, are as follows:

Revenue

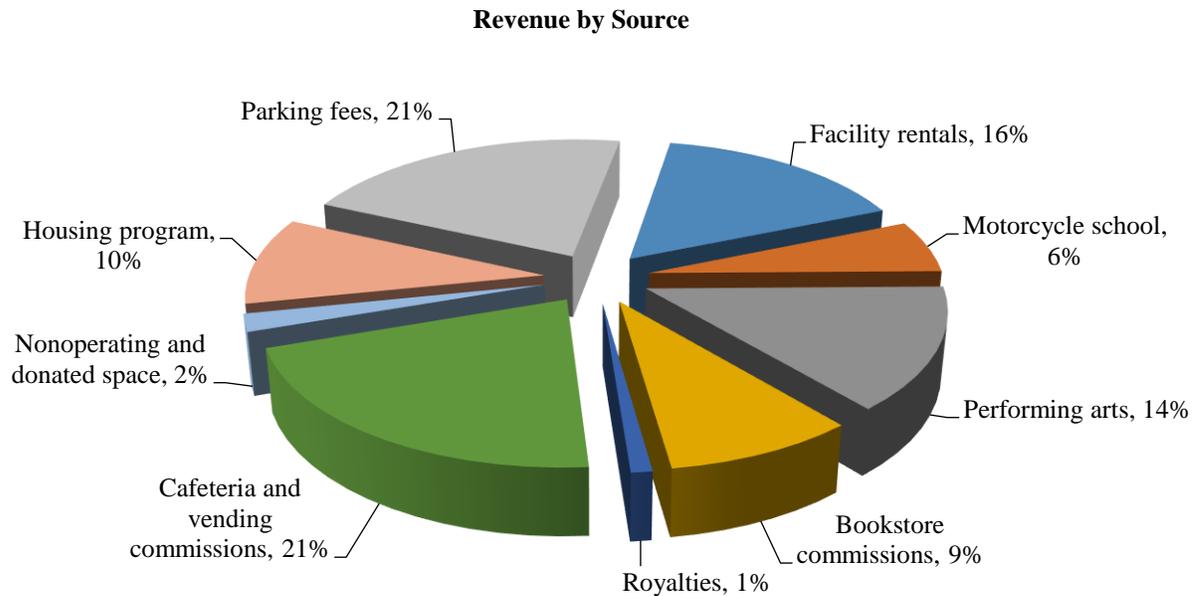
	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating revenue:				
Commissions:				
Bookstore	\$ 185,005	181,125	3,880	2.1%
Cafeteria and vending	421,210	386,206	35,004	9.1%
Motorcycle school	113,146	123,363	(10,217)	(8.3%)
Royalties	9,920	10,958	(1,038)	(9.5%)
Parking fees	421,914	401,574	20,340	5.1%
Facility rentals	311,738	180,051	131,687	73.1%
Performing arts	263,904	281,190	(17,286)	(6.1%)
Housing program	192,029	194,744	(2,715)	(1.4%)
Donated space	<u>12,810</u>	<u>1,549</u>	<u>11,261</u>	<u>727.0%</u>
Total operating revenue	<u>1,931,676</u>	<u>1,760,760</u>	<u>170,916</u>	<u>9.7%</u>
Nonoperating revenue:				
Investment gains	14,203	23,746	(9,543)	(40.2%)
Other income	<u>1,633</u>	<u>8,671</u>	<u>(7,038)</u>	<u>(81.2%)</u>
Total nonoperating revenue	<u>15,836</u>	<u>32,417</u>	<u>(16,581)</u>	<u>(51.1%)</u>
Total revenue	\$ <u>1,947,512</u>	<u>1,793,177</u>	<u>154,335</u>	<u>8.6%</u>

The Auxiliary's total revenue, including operating and nonoperating, for the year ended June 30, 2018, was \$1,947,512, an increase of \$154,335 or 8.6% from the prior fiscal year. Driving this were increases in bookstore, cafeteria and vending commissions, parking fees and facility rentals due to increase demand for these services. An increase was also noted in donated space corresponding to an adjustment in the amount of square footage used in this calculation. Decreases were noted in royalties, performing arts and housing program income reflecting less demand for the goods and services that these activities provide. The decline in nonoperating revenue is due to an adjustment in fiscal year 2017 that was not applicable to fiscal year 2018.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis, Continued

The following illustrates the Auxiliary's operating revenue, by source, for the year ended June 30, 2018:



Expenses

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Parking	\$ 328,684	289,765	38,919	13.4%
Facility rentals	163,414	87,354	76,060	87.1%
Performing arts	288,765	363,222	(74,457)	(20.5%)
Housing program	222,116	219,874	2,242	1.0%
Student programs	89,113	100,304	(11,191)	(11.2%)
Donated space	12,810	1,549	11,261	727.0%
Management and general	179,464	134,537	44,927	33.4%
Depreciation	<u>79,074</u>	<u>79,074</u>	-	-
Total operating expenses	1,363,440	1,275,679	87,761	6.9%
Nonoperating expenses - College support	<u>369,491</u>	<u>402,877</u>	<u>(33,386)</u>	<u>(8.3%)</u>
Total expenses	\$ <u>1,732,931</u>	<u>1,678,556</u>	<u>54,375</u>	<u>3.2%</u>

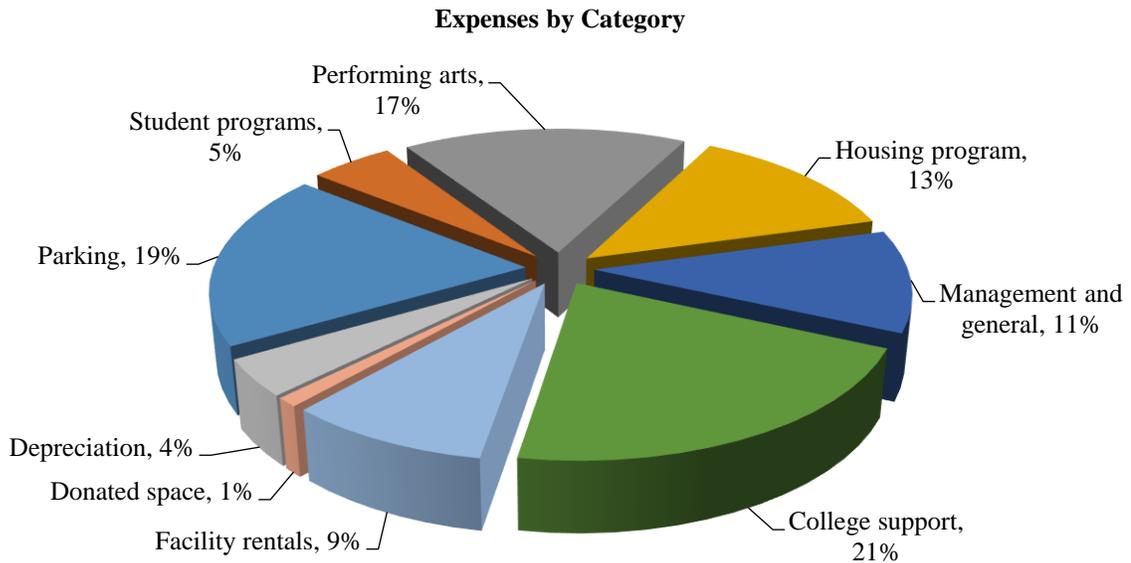
LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis, Continued

Total expenses, operating and nonoperating, for the year ended June 30, 2018 were \$1,732,931, an increase of \$54,375 or 3.2%, compared to the previous fiscal year. Increases were noted in parking, 13.4%, facility rentals, 87.1%, management and general, 33.4% and donated space, 727%. The increase in parking expenses reflects costs incurred for parking decals and personnel needed to maintain and operating the parking lots. The increase in facility rentals reflects the additional activity of Lehman Studios which is offset by a corresponding increase in revenue. The increase in management and general is due to a recalculation of the allowance for bad debt to recognize the aging of certain past due receivables. The increase in donated space reflects an increase in the square footage used in the calculation of this expense.

Declines are noted in student programs 11.2% and performing arts 20.5% reflecting lower personnel costs in each of these areas as compared to the prior fiscal year.

The following illustrates the Auxiliary’s total expenses, by category, for the year ended June 30, 2018:



LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management Discussion and Analysis, Continued

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the fiscal year and assists users in assessing the Auxiliary's ability to maintain cash needed to meet its obligations and its dependency on external financing. At June 30, 2018 the Auxiliary cash totaled \$1,213,442 and increase of \$165,248 over June 30, 2017. The Auxiliary has sufficient cash flow to maintain its obligations and does not have or rely on external financing to fund any of its obligations.

Economic Factors That May Affect the Future

There are no known economic factors that may influence the future. The Auxiliary depends on user fees and commissions to fund its expenditures. Decreases in revenue would be offset by a corresponding decrease in expenditures.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Statements of Net Position
June 30, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and equivalents	\$ 1,213,442	1,048,194
Accounts receivable, net of allowance for doubtful accounts of \$125,336 in 2018 and \$99,367 in 2017	387,801	284,372
Prepaid expenses and other assets	66,090	27,575
Investments in CUNY investment pool, short-term (note 4)	255,070	252,197
Total current assets	1,922,403	1,612,338
Noncurrent assets:		
Investments in CUNY investment pool, long-term (note 4)	185,695	175,066
Capital assets, net (note 5)	320,420	399,494
Total noncurrent assets	506,115	574,560
Total assets	2,428,518	2,186,898
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	76,404	107,156
Due to related parties (note 8)	218,597	144,019
Deposits held in custody for others (note 6)	34,346	34,436
Unearned revenue	8,850	20,398
Total current liabilities	338,197	306,009
Noncurrent liabilities - security deposit	26,518	31,667
Total liabilities	364,715	337,676
<u>Net Position</u>		
Net investment in capital assets	320,420	399,494
Unrestricted	1,743,383	1,449,728
Total net position	\$ 2,063,803	1,849,222

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 185,005	181,125
Cafeteria and vending	421,210	386,206
Motorcycle school	113,146	123,363
Royalties	9,920	10,958
Parking fees	421,914	401,574
Facility rentals	311,738	180,051
Performing arts	263,904	281,190
Housing program	192,029	194,744
Donated space (note 7)	<u>12,810</u>	<u>1,549</u>
Total operating revenue	<u>1,931,676</u>	<u>1,760,760</u>
Operating expenses:		
Parking	328,684	289,765
Facility rentals	163,414	87,354
Performing arts	288,765	363,222
Housing program	222,116	219,874
Student programs	89,113	100,304
Donated space	12,810	1,549
Management and general	179,464	134,537
Depreciation	<u>79,074</u>	<u>79,074</u>
Total operating expenses	<u>1,363,440</u>	<u>1,275,679</u>
Income from operations	<u>568,236</u>	<u>485,081</u>
Nonoperating revenue (expenses):		
Investment gains	14,203	23,746
Other income	1,633	8,671
College support	<u>(369,491)</u>	<u>(402,877)</u>
Total nonoperating expenses, net	<u>(353,655)</u>	<u>(370,460)</u>
Increase in net position	214,581	114,621
Net position at beginning of year	<u>1,849,222</u>	<u>1,734,601</u>
Net position at end of year	<u>\$ 2,063,803</u>	<u>1,849,222</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
 Statements of Cash Flows
 Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	\$ 150,256	185,930
Cafeteria and vending commissions	335,933	381,093
Motorcycle school	121,210	106,492
Royalties commissions	9,920	10,958
Parking fees	407,715	418,194
Facility rentals	250,804	188,413
Performing arts	225,017	298,276
Housing program	226,139	223,732
Cash payments to/for:		
Salaries and employee benefits	(314,505)	(209,843)
Vendors	(254,675)	(274,826)
Performing arts	(288,764)	(363,246)
Housing program	(222,116)	(219,874)
Facility rentals	<u>(109,290)</u>	<u>(41,327)</u>
Net cash provided by operating activities	<u>537,644</u>	<u>703,972</u>
Cash flows from noncapital financing activities:		
Decrease in deposits held in custody for others	(90)	(19,547)
Repayment of security deposits	(5,149)	-
College support	<u>(369,491)</u>	<u>(402,877)</u>
Net cash used in noncapital financing activities	<u>(374,730)</u>	<u>(422,424)</u>
Cash flows from investing activities:		
Investment income	701	546
Other income	<u>1,633</u>	<u>8,671</u>
Net cash provided by investing activities	<u>2,334</u>	<u>9,217</u>
Net increase in cash and equivalents	165,248	290,765
Cash and equivalents at beginning of year	<u>1,048,194</u>	<u>757,429</u>
Cash and equivalents at end of year	<u>\$ 1,213,442</u>	<u>1,048,194</u>

(Continued)

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Statements of Cash Flows, Continued

	<u>2018</u>	<u>2017</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 568,236	485,081
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	79,074	79,074
Increase in allowance for doubtful accounts	25,969	-
Changes in:		
Accounts receivable	(129,398)	23,213
Prepaid expenses and other assets	(38,515)	61,780
Accounts payable and accrued expenses	(30,752)	22,595
Due to related parties	74,578	27,219
Unearned revenue	<u>(11,548)</u>	<u>5,010</u>
Net cash provided by operating activities	<u>\$ 537,644</u>	<u>703,972</u>
Supplemental schedule of cash flow information:		
Donated space revenue	<u>\$ 12,810</u>	<u>1,549</u>
Donated space expense	<u>\$ 12,810</u>	<u>1,549</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements

June 30, 2018 and 2017

(1) Nature of Organization

The Lehman College Auxiliary Enterprise Corporation (the Auxiliary) is a nonprofit corporation organized to support certain student activities and provide facilities and auxiliary services for the benefit of the campus of Herbert H. Lehman College (the College) of the City University of New York (CUNY or the University).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Auxiliary's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Auxiliary is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Auxiliary is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Auxiliary's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Auxiliary to maintain them in perpetuity.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the Auxiliary or the passage of time.

Unrestricted - All other net position, including net position designated by actions, if any, of the Auxiliary's Board of Directors.

At June 30, 2018, the Auxiliary had no restricted net position.

(c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(e) Investments

The Auxiliary has investments held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee) totaling \$440,765 and \$427,263 at June 30, 2018 and 2017, respectively. Several investment advisory firms are engaged to assist the Committee in its Investment Pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(f) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Auxiliary's capital asset policy, capital assets are defined as any asset with a useful life of at least two years and a cost or value at the time of receipt of \$1,000 or more for computer hardware and \$5,000 or more for all other equipment; and \$25,000 or more for building improvements. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of furniture, fixtures and equipment is five years and the estimated useful life of building improvements is 25 years.

(g) Revenue Recognition

Operating revenue is recognized in the period earned and is primarily derived from agreements with third-party vendors that provide bookstore, cafeteria, and vending, facility rentals, fees for parking and other services. Fees that are collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(h) Donated Space

The Auxiliary operates on the campus of the College and, utilizes office space made available to it. The cost savings associated with such arrangements are recorded as donated space and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities (note 7).

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Commissions

Bookstore, cafeteria and vending commissions represent income earned under contracts with third-party vendors who operate and maintain the campus bookstore, cafeteria, and vending services, respectively.

(l) Subsequent Events

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

(m) Income Taxes

The Auxiliary is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Auxiliary has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Auxiliary presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Auxiliary has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Auxiliary are subject to examination by taxing authorities.

(n) Reclassifications

Reclassifications have been made to certain 2017 balances in order to conform them to the 2018 presentation.

(3) Cash and Equivalents and Investments

Custodial credit risk of deposits is the risk that the Auxiliary's deposits may not be returned in the event of a bank failure. At June 30, 2018, \$997,911 of the Auxiliary's bank balance of \$1,247,911 was exposed to custodial credit risk as such balances were not within the FDIC deposit insurance limits.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(4) Investments in CUNY Investment Pool and Related Investment Income

The Auxiliary's investments in the investment pool comprise assets which are pooled and invested by and under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY. Pooled investments include equity and fixed income securities. Investments as of June 30, 2018 and 2017, are comprised of the following:

	<u>2018</u>	<u>2017</u>
Investments in CUNY investment pool, short term	\$ 255,070	252,197
Investments in CUNY investment pool, long-term	<u>185,695</u>	<u>175,066</u>
	\$ <u>440,765</u>	<u>427,263</u>

The following table summarizes the activity for financial instruments in 2018 and 2017:

Balance at July 1, 2016		\$ 404,063
Interest and dividends		3,468
Realized gains		842
Unrealized gains		<u>18,890</u>
Balance at June 30, 2017		427,263
Interest and dividends		4,868
Realized gains		1,738
Unrealized gains		<u>6,896</u>
Balance at June 30, 2018		\$ <u>440,765</u>

A summary of investment gain for the years ended June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 4,868	3,468
Realized gains	1,738	842
Unrealized gains	<u>6,896</u>	<u>18,890</u>
Total investment gain	\$ <u>13,502</u>	<u>23,200</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(5) Capital Assets

At June 30, 2018 and 2017, capital assets consisted of the following:

		2018		
	Beginning Balance	Additions	Disposals	Ending balance
Equipment	\$ 336,078	-	-	336,078
Cafeteria renovations	464,300	-	-	434,300
Parking gate	211,187	-	-	211,187
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,196,565	-	-	1,196,565
Less accumulated depreciation	<u>(797,071)</u>	<u>(79,074)</u>	<u>-</u>	<u>(876,145)</u>
	<u>\$ 399,494</u>	<u>(79,074)</u>	<u>-</u>	<u>320,420</u>
		2017		
	Beginning Balance	Additions	Disposals	Ending balance
Equipment	\$ 336,078	-	-	336,078
Cafeteria renovations	464,300	-	-	464,300
Parking gate	211,187	-	-	211,187
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,196,565	-	-	1,196,565
Less accumulated depreciation	<u>(717,997)</u>	<u>(79,074)</u>	<u>-</u>	<u>(797,071)</u>
	<u>\$ 478,568</u>	<u>(79,074)</u>	<u>-</u>	<u>399,494</u>

(6) Deposits Held in Custody for Others

At June 30, 2018 and 2017, the Auxiliary held \$34,346 and \$34,436, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other groups and organizations related to the College.

(7) Donated Space

The Auxiliary utilizes certain facilities provided by the College. The estimated fair values of facilities are included in the accompanying statements of revenue, expenses and changes in net position. Donated space for the years ended June 30, 2018 and 2017 amounted to \$12,810 and \$1,549, respectively.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(8) Related Party Transactions

The Auxiliary has funded various College expenses including campus ceremonies, equipment and maintenance and music expenses. These expenses are included within College support in the accompanying statements of revenue, expenses and changes in net position. College support for the years ended June 30, 2018 and 2017 amounted to \$369,491 and \$402,877, respectively. The Auxiliary is occasionally required to transfer funds to/from other College related entities during the course of the year for payroll reimbursement and other costs, if any.

The Auxiliary has invested \$440,765 and \$427,263 as of June 30, 2018 and 2017, respectively, in the CUNY investment pool (note 4) which is under the control of the Committee, a related party.

At June 30, 2018 and 2017, the Auxiliary owed \$218,597 and \$144,019, respectively, to other Lehman College entities. These amounts are included in due to related parties on the statements of net position.