

THE LEHMAN COLLEGE ART GALLERY, INC.

**Financial Statements
for year ended
June 30, 1999**



PANNELL
KERR
FORSTER PC

Certified Public Accountants

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Independent Auditor's Report

To the Board of Directors
The Lehman College Art Gallery, Inc.

We have audited the accompanying balance sheet of the Lehman College Art Gallery, Inc. as of June 30, 1999 and 1998, and the related statements of revenues and expenditures of the general fund, changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lehman College Art Gallery, Inc. at June 30, 1999 and 1998, and the revenues and expenditures of the general fund and changes in fund balances and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Pannell Kerr Forster PC

August 18, 1999

Balance Sheet

Liabilities and Fund Balances

Assets

General Fund

	June 30	1999	1998
Cash		\$ 3,022	\$ 1,928
Receivable		40,401	57,278
Prepaid expenses		78,838	29,250
		122,261	88,456
Total assets		15,805	10,522
		\$ 139,066	\$ 98,978

Liabilities
 Accounts payable and accrued expenses
 Due to the Research Foundation of The City University of New York
 Deferred revenue
 Total liabilities

Fund balance
 Total liabilities and fund balance

Edith and Herbert Lehman
 Endowment Fund

Cash	\$ 25,000	\$ 25,000
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Robert Lehman
 Endowment Fund

Cash	\$ 50,000	\$ 50,000
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See notes to financial statements

THE LEHMAN COLLEGE ART GALLERY, INC.

Statement of Revenues and Expenditures of the General Fund

	Year Ended	
	June 30	
	1999	1998
Revenues		
Allocation from Herbert H. Lehman College (note 2)	\$ 60,000	\$ 50,000
Allocation from the Herbert H. Lehman College Auxiliary Enterprises Corporation, Inc. (note 2)	12,500	22,500
Public support	47,150	35,350
Corporate donations	19,400	21,900
Foundations	18,500	26,000
Memberships and general donations	3,630	1,528
Interest and dividends	5,836	5,875
Krasdale Gallery	7,083	21,250
District 9	33,500	33,127
Institute of Museum and Library Services Grant	31,700	23,775
National Endowment for the Humanities	12,094	-
National Endowment of the Arts	5,000	-
Other	2,532	481
Total revenues	258,925	241,786
Expenditures		
Payroll and related (note 5)	179,336	165,427
Exhibition	21,199	23,158
Education	26,298	18,756
Security	8,443	8,944
Insurance	2,123	2,330
Mail	1,818	2,730
Professional fees	5,700	4,235
Miscellaneous	8,725	5,016
Krasdale Gallery	-	5,229
Districts 9 and 10	-	5,906
Total expenditures	253,642	241,731
Excess of revenues over expenditures	\$ 5,283	\$ 55

See notes to financial statements

THE LEHMAN COLLEGE ART GALLERY, INC.**Notes to Financial Statements
June 30, 1999****Note 1 - Organization**

On April 28, 1986, the Board of Trustees of the City University of New York authorized the incorporation of the Lehman College Art Gallery, Inc. (Corporation) pursuant to the provisions of section 216 of the Education Law and section 404, subdivision (d) of the Not-for-Profit Corporation Law of the State of New York. The purpose of the Corporation is to encourage and promote the creation of the visual arts; and to plan, develop, and promote cultural and educational activities among the students and faculty of Herbert H. Lehman College (the College) and the residents of the Greater New York Metropolitan Area. The financial statements are an integral part of the City University of New York.

The Corporation was organized exclusively for charitable and educational purposes and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Significant accounting policies**Revenue**

The Corporation derives revenues mainly from contributions from members and other sources. Annual allocations of \$60,000 and \$50,000 for Art Gallery salaries were made from the College in 1999 and 1998, respectively. Allocations from the Herbert H. Lehman College Auxiliary Enterprises Corporation, Inc. (Auxiliary Enterprises) were made to cover certain operating expenses. These amounts totaled \$12,500 in 1999 and \$22,500 in 1998, which included \$2,500 per year from the Auxiliary Enterprises campus ceremonies. Deferred revenues represent funds received in advance which are designated for future art shows.

Note 3 - Edith and Herbert Lehman Endowment Fund

In November 1985, the Corporation received \$25,000 representing a gift from the Edith and Herbert Lehman Foundation, Inc. to establish an endowment fund for the Lehman College Art Gallery, Inc. This grant is to be held intact and only the income will be used for the gallery.

Note 4 - Robert Lehman Endowment Fund

In April 1986, the Corporation received \$50,000 representing a gift from the Robert Lehman Foundation, Inc. to be held in perpetuity in a separate fund named "Robert Lehman Endowment Fund of the Herbert H. Lehman College Art Gallery". Income earned on the fund principal shall be applied solely for the expenses of special exhibitions in the Art Gallery or, with the permission of the Foundation, to the support of the educational activities of the College in the field of visual arts.

Note 5 - Payroll and related

The Corporation's payroll and benefits are paid directly by the Research Foundation of The City University of New York and are reimbursed by the Corporation. The Research Foundation receives a 7-1/4% fee for managing the Corporation's payroll. Fees earned for 1999 and 1998 totaled \$12,123 and \$7,802, respectively.