

THE LEHMAN COLLEGE STUDENT
CHILD CARE CENTER, INC.
Financial Statements and
Supplementary Information
June 30, 2021 and 2020
(With Independent Auditors' Report Thereon)

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Lehman College Student Child Care Center, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of The Lehman College Student Child Care Center, Inc. (the Corporation) as of and for the years ended June 30, 2021 and 2020, and the related notes to financial statements, which collectively comprise the Corporation'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 Corporation'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 Corporation'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 The Lehman College Student Child Care Center, Inc. as of June 30, 2021 and 2020, 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise The Lehman College Student Child Care Center, Inc.'s basic financial statements. The schedule of child care services expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of child care services expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of child care services expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 29, 2021

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis

June 30, 2021

The intent of Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of The Lehman College Student Child Care Center, Inc.'s (the Corporation) financial position as of June 30, 2021, and changes in its 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

- Operating revenue totaled \$1,150,215, a decrease of \$210,070 or 15.44% from the previous fiscal year.
- Operating expenses totaled \$1,230,637, a decrease of \$68,631 or 5.28% from the previous fiscal year.
- Total assets equaled \$1,258,632, an increase of \$101,306 or 8.75% from the previous fiscal year.
- Total net position equaled \$1,018,313, a decrease of \$73,210 or 6.71% from the previous fiscal year.

Financial Position

The Corporation's net position, the difference between assets and liabilities, is one way to measure the Corporation's financial health. Over time, increases and decreases in the Corporation's net position is one indicator of whether its financial health is improving or declining.

Statements of Net Position

The following summarizes the Corporation's assets, liabilities and net position as of June 30, 2021 and 2020, under the accrual basis of accounting:

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets	\$ <u>1,258,632</u>	<u>1,157,326</u>	<u>101,306</u>	<u>8.75%</u>
Liabilities	<u>240,319</u>	<u>65,803</u>	<u>174,516</u>	<u>265.21%</u>
Net position:				
Net investment in capital assets	4,004	6,005	(2,001)	(33.32%)
Unrestricted	<u>1,014,309</u>	<u>1,085,518</u>	<u>(71,209)</u>	<u>(6.56%)</u>
Total net position	\$ <u>1,018,313</u>	<u>1,091,523</u>	<u>(73,210)</u>	<u>(6.71%)</u>

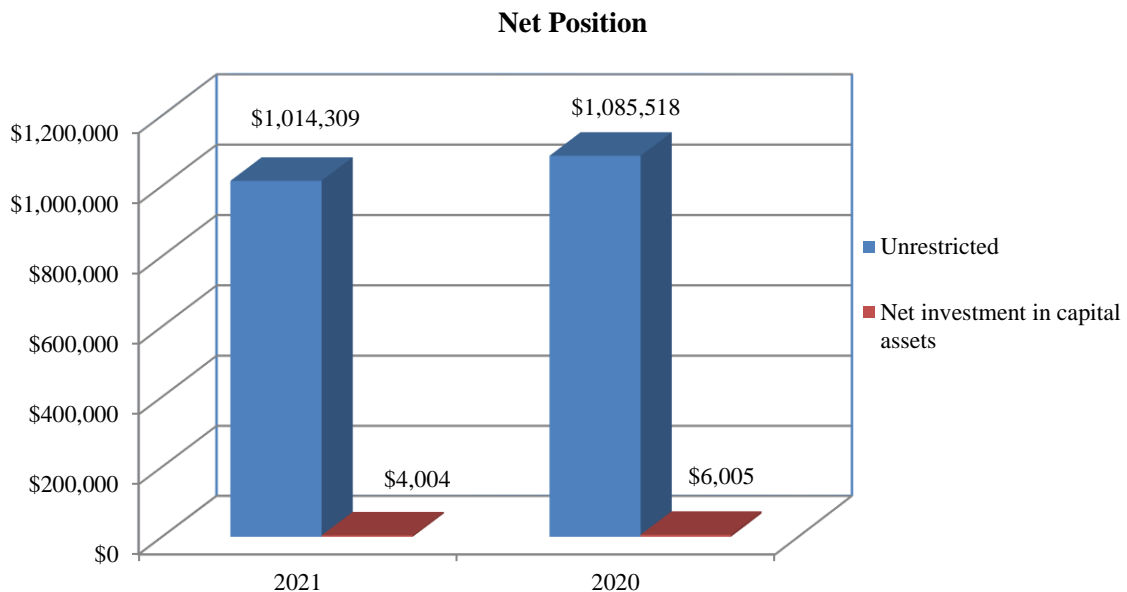
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Management's Discussion and Analysis, Continued

At June 30, 2021, the Corporation's total net position was \$1,018,313 compared to \$1,091,523 at June 30, 2020. This represents a decrease of \$73,210 or (6.71%), from the previous fiscal year.

At June 30, 2021, the Corporation's total liabilities increased by \$174,516 or 265.21%. This is largely due to a \$172,139 increase in reimbursements due to Imagine Early Learning Centers, LLC at June 30, 2021 compared to the previous fiscal year.

There were no other significant or unexpected changes in the Corporation's assets and liabilities.

The following illustrates the Corporation's net position at June 30, 2021 and 2020 by category:



THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Corporation, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2021 and 2020, are as follows:

Revenue

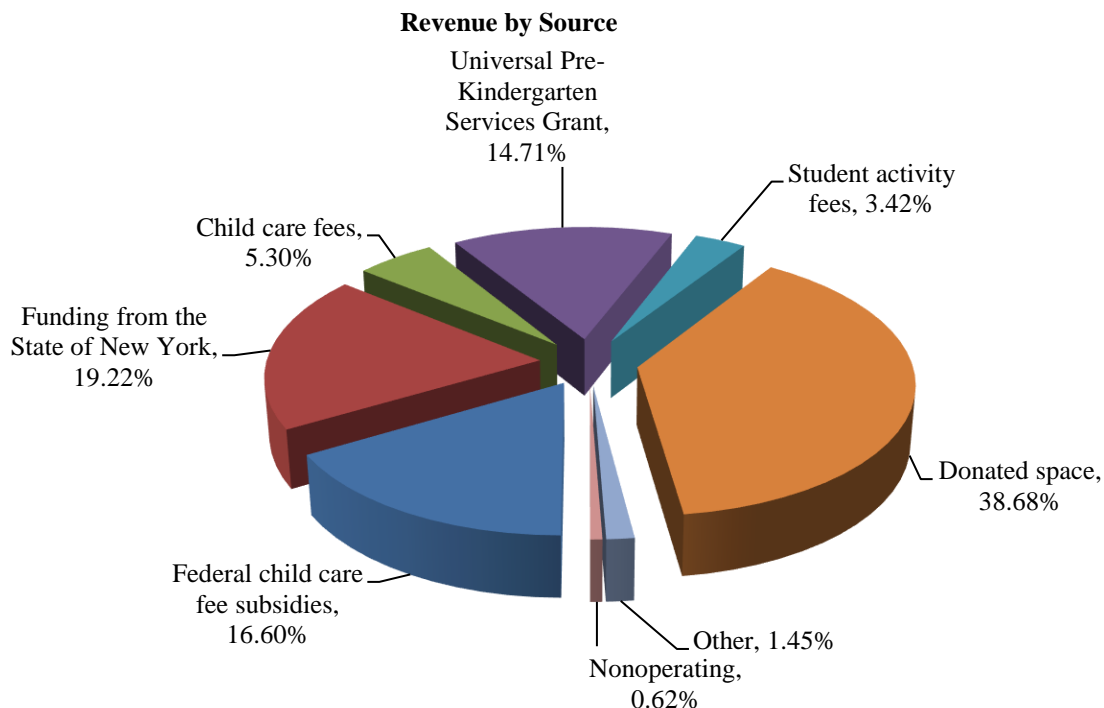
	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Federal child care fee subsidies	\$ 192,147	355,822	(163,675)	(46.00%)
Funding from the State of New York Universal Pre-Kindergarten	222,478	194,598	27,880	(14.33%)
Services Grant	170,296	170,837	(541)	(.32%)
Child care fees	61,288	96,635	(35,347)	(36.58%)
CUNY Compact	-	96,238	(96,238)	(100.00%)
Student activity fees	39,532	33,820	5,712	(16.89%)
Donated space	447,678	412,335	35,343	(8.57%)
Other income	<u>16,796</u>	<u>-</u>	<u>16,796</u>	<u>100.00%</u>
Total operating revenue	1,150,215	1,360,285	(210,070)	(15.44%)
Nonoperating revenue, net of bad debt expenses	<u>7,212</u>	<u>3,878</u>	<u>3,334</u>	<u>85.97%</u>
Total revenue	\$ <u>1,157,427</u>	<u>1,364,163</u>	<u>(206,736)</u>	<u>(15.15%)</u>

The Corporation's total revenue for the year ended June 30, 2021 was \$1,157,427 a decrease of \$206,736 or (15.15%) from the previous year. The major components of this were decreases in funding from federal child care subsidies and tuition, due to declines in enrollment, and the consolidation of the CUNY Compact monies into funding from the State of New York. All revenue declines are attributable to lower enrollment and/or lower subsidies due to the COVID-19 pandemic.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

The following illustrates the Corporation's revenue, by source, for the year ended June 30, 2021:



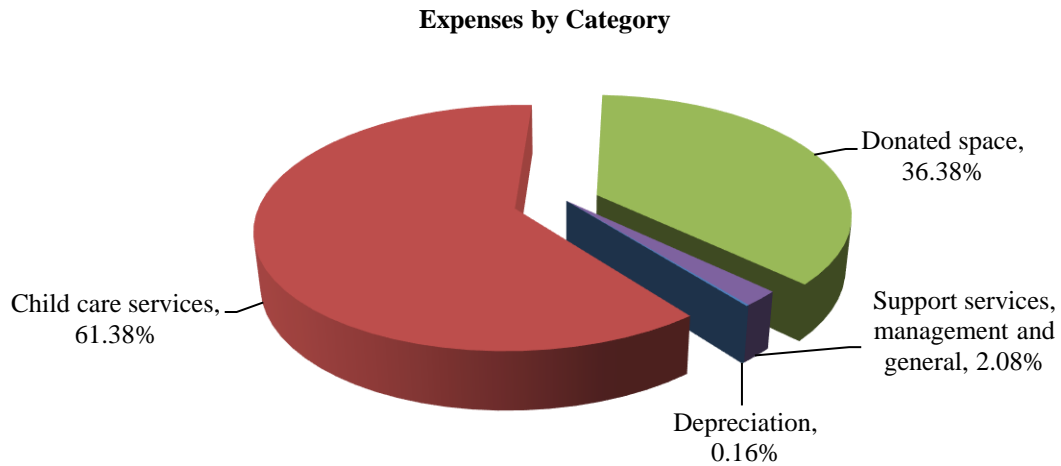
Expenses

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Child care services	\$ 755,320	856,680	(101,360)	(11.83%)
Donated space	447,678	412,335	35,343	8.57%
Support services, management and general	25,638	28,252	(2,614)	(9.25%)
Depreciation	<u>2,001</u>	<u>2,001</u>	<u>-</u>	<u>-</u>
Total operating expenses	\$ <u>1,230,637</u>	<u>1,299,268</u>	<u>(68,631)</u>	<u>(5.28%)</u>

Total expenses for the year ended June 30, 2021 were \$1,230,637, a decrease of \$68,631 or (5.28%) from the previous fiscal year. The major components of this was a decrease in child care services expenses due to a reduction in enrollment and contractual costs to operate the Corporation during the COVID-19 pandemic.

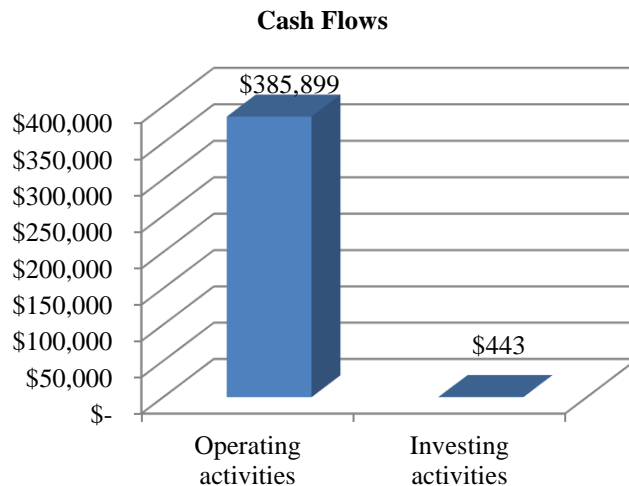
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Management's Discussion and Analysis, Continued

The following illustrates the Corporation's expenses, by category, for the year ended June 30, 2021:



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Corporation's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Corporation's cash flows for the year ended June 30, 2021:



THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

The Corporation's total cash at June 30, 2021 was \$818,919 an increase of \$386,342 from the previous fiscal year. This is largely due to the increase in amounts due to Imagine Early Learning Centers, LLC on June 30, 2021, which were significantly higher than what was due to them as of June 30, 2020.

Economic Factors That May Affect the Future

The Corporation is dependent on federal grant programs, funding from New York State and other grant programs. To the extent these funding structures change the Corporation can be impacted and would need to make corresponding changes to their operations and/or the tuition rates. In addition, the Corporation receives earmark monies from student association fees which are based on student enrollment. To the extent that enrollment changes, this could also affect their available revenue. The amount of money received from this source, however, is minimal compared to the total overall budget. In addition, operational adjustments due to the COVID-19 pandemic has continued to effect the Student Child Care Center.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Net Position
 June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 818,919	432,577
Investments in CUNY investment pool, short-term (notes 4 and 5)	4,915	4,339
Accounts receivable:		
Federal grant programs	100,871	324,582
Funding from New York State	222,478	194,598
Universal Pre-Kindergarten Services Grant	4,380	13,510
CUNY Compact	-	96,238
Due from related parties	1,279	376
Total accounts receivable	329,008	629,304
Prepaid expenses	4,561	2,657
Total current assets	1,157,403	1,068,877
Investments in CUNY investment pool, long-term (notes 4 and 5)	97,225	82,444
Capital assets, net (notes 2 and 6)	4,004	6,005
Total assets	1,258,632	1,157,326
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	2,969	592
Due to Imagine Early Learning Centers, LLC (note 8)	237,350	65,211
Total liabilities	240,319	65,803
<u>Net Position</u>		
Net investment in capital assets (notes 2 and 6)	4,004	6,005
Unrestricted	1,014,309	1,085,518
Total net position	\$ 1,018,313	1,091,523

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Federal child care fee subsidies (note 7)	\$ 192,147	355,822
Funding from the State of New York (note 7)	222,478	194,598
Universal Pre-Kindergarten Services Grant	170,296	170,837
Child care fees	61,288	96,635
CUNY Compact	-	96,238
Student activity fees	39,532	33,820
Donated space (notes 2 and 9)	447,678	412,335
Other	16,796	-
Total operating revenue	<u>1,150,215</u>	<u>1,360,285</u>
Operating expenses:		
Child care services (note 8)	755,320	856,680
Donated space (notes 2 and 9)	447,678	412,335
Supporting services, management and general	25,638	28,252
Depreciation (note 6)	2,001	2,001
Total operating expenses	<u>1,230,637</u>	<u>1,299,268</u>
Income (loss) from operations	<u>(80,422)</u>	<u>61,017</u>
Nonoperating revenue (expenses):		
Interest and dividends	1,431	1,486
Realized gain on investments	1,234	1,764
Net change in unrealized gain on investments	13,135	628
Bad debt	(8,588)	-
Total nonoperating revenue (expenses)	<u>7,212</u>	<u>3,878</u>
Change in net position	(73,210)	64,895
Net position at beginning of year	<u>1,091,523</u>	<u>1,026,628</u>
Net position at end of year	<u>\$ 1,018,313</u>	<u>1,091,523</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Cash Flows
 Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from:		
Federal child care fee subsidies	\$ 415,858	302,082
Funding from the State of New York	194,598	61,045
Universal Pre-Kindergarten Services Grant	170,838	174,292
Child care fees	61,288	96,635
CUNY Compact	96,238	96,238
Cash payments for:		
Child care services	(583,181)	(978,838)
Other	30,260	(5,118)
Net cash provided by (used in) operating activities	<u>385,899</u>	<u>(253,664)</u>
Cash flows from investing activities:		
Interest and dividends	1,431	1,486
Income reinvested in CUNY investment pool	(988)	(1,134)
Net cash provided by investing activities	<u>443</u>	<u>352</u>
Net change in cash	386,342	(253,312)
Cash at beginning of year	<u>432,577</u>	<u>685,889</u>
Cash at end of year	<u>\$ 818,919</u>	<u>432,577</u>

(Continued)

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Statements of Cash Flows, Continued

	<u>2021</u>	<u>2020</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ (80,422)	61,017
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	2,001	2,001
Bad debt	(8,588)	-
Changes in:		
Accounts receivable	300,296	(183,892)
Prepaid expenses	(1,904)	3,113
Accounts payable	2,377	(13,745)
Due to Imagine Early Learning Centers, LLC	<u>172,139</u>	<u>(122,158)</u>
Net cash provided by (used in) operating activities	<u>\$ 385,899</u>	<u>(253,664)</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements

June 30, 2021 and 2020

(1) Nature of Organization

The Lehman College Student Child Care Center, Inc. (the Corporation) was organized to operate within the bylaws, policies and regulations of The City University of New York (CUNY) and the policies, regulations and orders of Herbert H. Lehman College (the College). The purpose of the Corporation is to provide an educational and development program for children of registered degree students at the College during times of regularly scheduled college classroom instruction in order that students with childcare responsibilities may pursue their educational programs at the College.

The Corporation was organized exclusively for charitable, educational and scientific 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.

Although the Corporation is a separate and independent legal entity, it carries out operations which are integrally related to CUNY and, therefore, is included as a part of CUNY's financial reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Corporation'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 Corporation 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 Corporation is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Corporation'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 Corporation to maintain them in perpetuity.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(b) Net Position, Continued

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

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

At June 30, 2021 and 2020, the Corporation had no restricted net position.

(c) Cash

Cash is comprised of highly liquid instruments with original maturities of 90 days or less.

(d) Concentration of Credit Risk

The Corporation maintains its cash on deposit in one financial institution, in an account which at times, may exceed the federally insured limit. This potentially subjects the Corporation to a concentration of credit risk. The Corporation has not experienced any losses in such account.

(e) Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(f) Investments

The Corporation has investments held in 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). 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.

(g) 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 Corporation's capital asset policy, capital assets are defined as any asset with a useful life of at least five years and a cost or value at the time of receipt of \$5,000 or more for all computer, equipment, furniture and fixtures and capital 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 computer, equipment, furniture and fixtures and capital improvements is five years and ten years, respectively.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(h) Revenue Recognition

Revenues are recognized in the period earned. Included in revenues are childcare fees and appropriations and grants from the State of New York, the City of New York through CUNY which are received in connection with the Corporation's objective of providing childcare services.

A significant reduction in the level of this support, if it were to occur, could have a significant effect on the Corporation's programs and activities.

(i) Donated Space

The Corporation operates on the campus of the College and utilizes facilities provided by the College. The cost savings associated with such arrangements is recorded as donated space and is recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities (note 9).

(j) 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.

(k) 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.

(l) Subsequent Events

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

(m) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(n) Income Taxes

The Corporation 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 Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation 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 Corporation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Corporation are subject to examination by taxing authorities.

(3) Cash and Equivalents

Custodial credit risk of deposits is the risk that the Corporation's deposits may not be returned in the event of a bank failure. At June 30, 2021, \$568,919 of the Corporation's bank balance of \$818,919 was exposed to custodial credit risk. At June 30, 2020, \$192,046 of the Corporation's bank balance of \$442,046 was exposed to custodial credit risk.

(4) Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transactions, the Corporation will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2021 and 2020, the Corporation's entire investment portfolio balance of \$102,140 and \$86,783, respectively, was exposed to custodial credit risk, as it was uninsured and uncollateralized.

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

The Corporation's investments in the investment pool comprise assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2021 and 2020, are comprised of the following:

	<u>2021</u>	<u>2020</u>
Investments in CUNY investment pool, short-term	\$ 4,915	4,339
Investments in CUNY investment pool, long-term	<u>97,225</u>	<u>82,444</u>
	\$ <u>102,140</u>	<u>86,783</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(5) Investments in CUNY Investment Pool and Related Investment Income, Continued

The following table summarizes the activity of investments during the years ended June 30, 2021 and 2020:

Balance at June 30, 2019	\$ 83,257
Interest and dividends	1,134
Realized gains	1,764
Unrealized gains	<u>628</u>
Balance at June 30, 2020	86,783
Interest and dividends	988
Realized gains	1,234
Unrealized gains	<u>13,135</u>
Balance at June 30, 2021	\$ <u>102,140</u>

A summary of investment income from the CUNY investment pool for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 988	1,134
Realized gains	1,234	1,764
Unrealized gains	<u>13,135</u>	<u>628</u>
Total investment income	\$ <u>15,357</u>	<u>3,526</u>

(6) Capital Assets

At June 30, 2021 and 2020, capital assets consisted of the following:

	<u>2021</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 50,998	-	-	50,998
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(265,129)</u>	<u>(2,001)</u>	<u>-</u>	<u>(267,130)</u>
Capital assets, net	\$ <u>6,005</u>	<u>(2,001)</u>	<u>-</u>	<u>4,004</u>
	<u>2020</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 50,998	-	-	50,998
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(263,128)</u>	<u>(2,001)</u>	<u>-</u>	<u>(265,129)</u>
Capital assets, net	\$ <u>8,006</u>	<u>(2,001)</u>	<u>-</u>	<u>6,005</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(7) Federal and State Funding

CUNY is eligible to receive a portion of Child Care Federal Funds for the purpose of increasing the availability, affordability and quality of childcare. The grant is intended to provide funding to all functions and support services that are traditionally associated with childcare programs and to facilitate the expansion of childcare to student parents. The Corporation's allocations of grant funds for the years ended June 30, 2021 and 2020 amounted to \$192,147 and \$355,822, respectively. Grant amounts represent tuition subsidies to eligible students and are reported in the statements of revenue, expenses and changes in net position.

In addition, the Corporation was allocated \$222,478 and \$194,598 during the years ended June 30, 2021 and 2020, respectively, from the State of New York through tax levy appropriations for the provision of childcare services at senior and community colleges.

(8) Child Care Services

The Corporation has engaged Imagine Early Learning Centers, LLC (Imagine) to provide childcare services to children of students at the College through June 30, 2021. For the years ended June 30, 2021 and 2020, childcare services expense totaled \$755,320 and \$856,680, respectively, of which \$237,350 and \$65,211 was payable to Imagine at June 30, 2021 and 2020, respectively.

On June 29, 2017, the Corporation's contract with Imagine was amended to incorporate the receipt of earmarked student activity fee revenue for childcare purposes. This earmark was approved by the Board of Trustees on June 29, 2016 and was effective with the Fall 2016 semester. That contract was renewed again on May 14, 2019, and subsequently on March 31, 2020, and is effective through June 30, 2022.

(9) Donated Space

The Corporation utilizes certain facilities provided by the College. The estimated fair value of facilities are included in the accompanying statements of revenue, expenses and changes in net position. Donated facilities for the years ended June 30, 2021 and 2020 amounted to \$447,678 and \$412,335, respectively.

(10) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(10) Accounting Standards Issued But Not Yet Implemented, Continued

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Supplemental Information

Schedule of Child Care Services Expenses

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating expenses:		
Personnel services:		
Executive director	\$ 30,000	30,000
Associate director	111,944	108,683
Head teachers	177,942	191,269
Assistant teachers	210,056	283,340
Employee benefits and payroll fees	<u>136,066</u>	<u>157,464</u>
Total personnel expenses	<u>666,008</u>	<u>770,756</u>
Other than personnel services:		
Management fee	22,000	22,000
Snacks/consumables	6,421	4,217
Staff development	5,123	8,914
Professional fee	6,845	7,038
Liability insurance	6,615	6,672
Classroom materials	19,568	8,000
Meals	11,871	21,201
Program enhancements	5,512	3,433
Family engagement	2,039	1,412
Maintenance and repairs	1,923	1,316
Office supplies	1,007	943
Miscellaneous	<u>388</u>	<u>778</u>
Total other than personnel services	<u>89,312</u>	<u>85,924</u>
Total child care services expenses	<u>\$ 755,320</u>	<u>856,680</u>