

**The Lehman College Student  
Child Care Center, Inc.**

Financial Statements  
For Year Ended  
June 30, 2013

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## Item 1 - Management's Discussion and Analysis

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The intent of the Student Child Care Center at Lehman College, Inc. Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of the Student Child Care Center's net assets and changes in net assets for the year ended June 30, 2013. 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 footnotes.

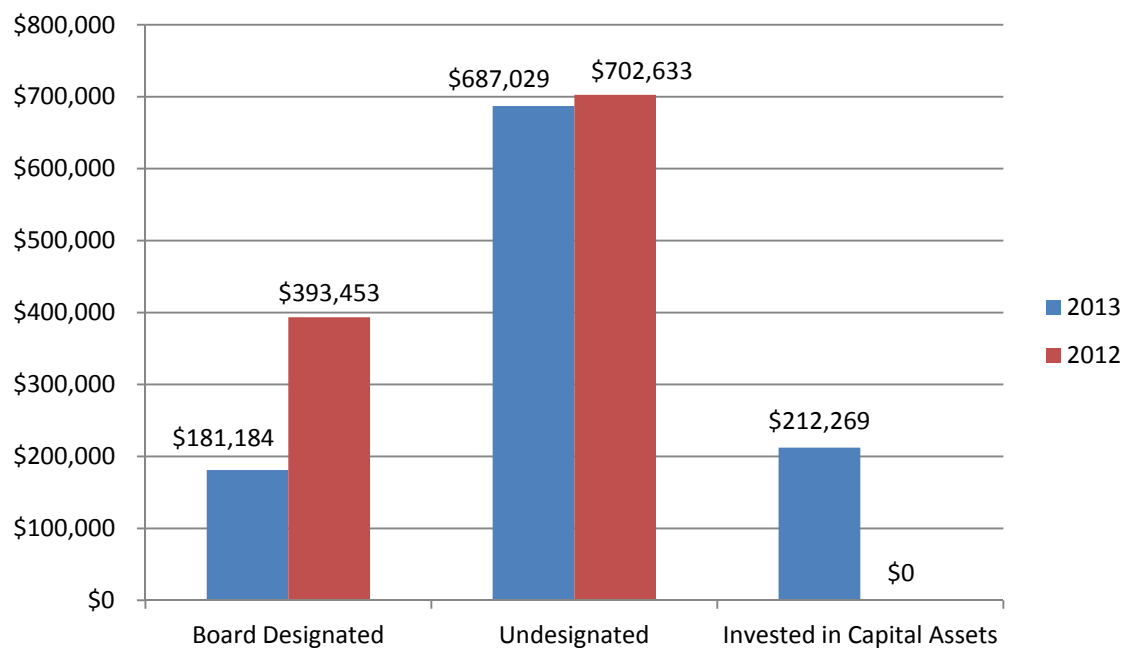
### FINANCIAL HIGHLIGHTS

- The Student Child Care Center's total Non-Operating revenues increased by \$23,000 due to increases in investment pool earnings and CUNY Campaign income. For the investment pool the increase included realized and unrealized gains in market value. Increases in CUNY Campaign income is due to an increase in donations.
- The Student Child Care Center's total liabilities increased by \$146,000 due to donations, the hiring of additional personnel, purchases of furniture and a phone system for the newly renovated Child Care Center.

### FINANCIAL POSITION

The Student Child Care Center's financial position, as a whole, remained relatively steady during the fiscal year ended June 30, 2013. Its' net position decreased by approximately \$16,000 (or 1.4%) over the previous year. The change resulted primarily from a decrease in the Universal Pre-Kindergarten Services grant of \$66,000; offset by an increase in non-operating revenues (investment activities) of \$23,000. The following graph illustrates the comparative change in net position for fiscal years 2013 and 2012.

#### Net Position



## Item 1 - Management's Discussion and Analysis

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### STATEMENT OF NET POSITION

The Student Child Care Center's total net position (the difference between assets and liabilities) is one way to measure the Student Child Care Center's financial condition.

The Statement of Net Position includes the Student Child Care Center's assets and liabilities using the accrual basis of accounting. The following table summarizes the Student Child Care Center's assets, liabilities and net position as of June 30, 2013 and 2012:

	2013	2012	Dollar Change	Percentage Change
Total Assets	<u>1,259,597</u>	<u>1,128,725</u>	130,872	11.6%
Total Liabilities	<u>179,115</u>	<u>32,639</u>	146,476	448.8%
NET POSITION				
Board Designated	181,184	393,453	(212,269)	(54.0)%
Undesignated	687,029	702,633	(15,604)	(2.2)%
Invested in Capital Assets	<u>212,269</u>	-	(212,269)	
TOTAL NET POSITION	<u><u>1,080,482</u></u>	<u><u>1,096,086</u></u>	15,604	1.4%

At June 30, 2013, the Student Child Care Center's total net position decreased by \$16,000 (or 1.4%).

During fiscal year 2013, total liabilities increased by \$147,000, compared to the previous year; which was primarily due to the timing of cash disbursements related to purchases of new furniture and a phone system and increases in the cost of child care services payable to the Imagine Early Learning Center at June 30, 2013.

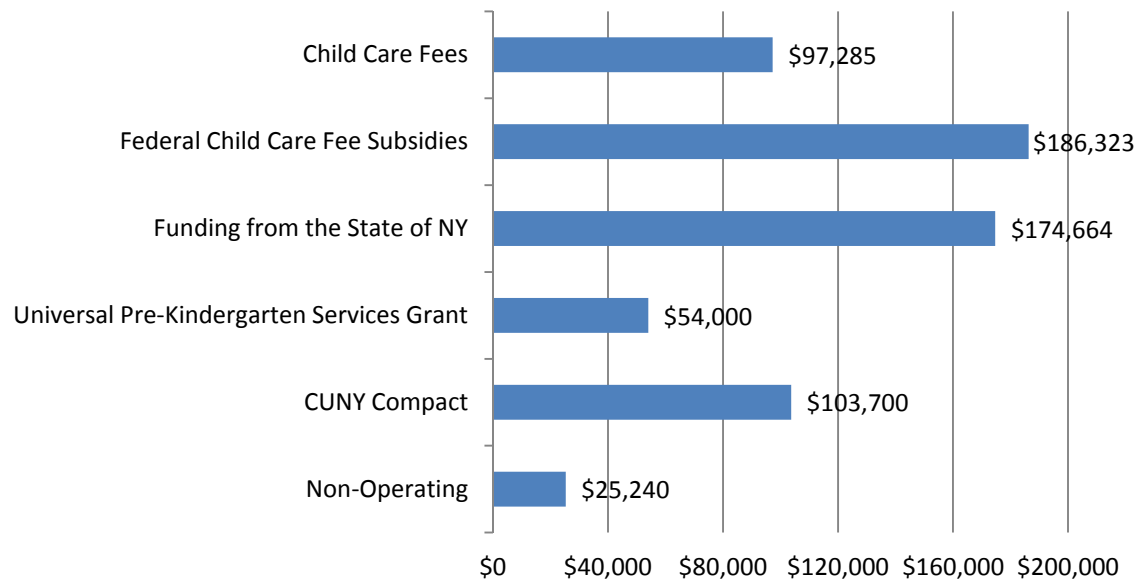
## Item 1 - Management's Discussion and Analysis

### STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position present the operating results of the Student Child Care Center, as well as non-operating revenues and expenses. The major components of revenues are presented below:

#### REVENUES

### 2013 Revenue by Source



	<b>2013</b>	<b>2012</b>	<b>DOLLAR CHANGE</b>	<b>PERCENTAGE CHANGE</b>
Child Care Fees	\$ 97,285	\$ 85,522	\$ 11,763	13.8%
Federal Grant Income	186,323	176,750	9,573	5.4%
Funding from State of NY	174,664	174,664	-	0.0%
UPK Grant	54,000	120,000	(66,000)	-55.0%
CUNY COMPACT	103,700	66,000	37,700	57.1%
<b>TOTAL</b>	<b>615,972</b>	<b>622,936</b>	<b>(6,964)</b>	<b>-1.1%</b>
<b>Non-Operating</b>	<b>25,240</b>	<b>2,587</b>	<b>22,653</b>	<b>875.6%</b>
<b>TOTAL REVENUE</b>	<b>\$ 641,212</b>	<b>\$ 625,523</b>	<b>\$ 15,689</b>	<b>2.5%</b>

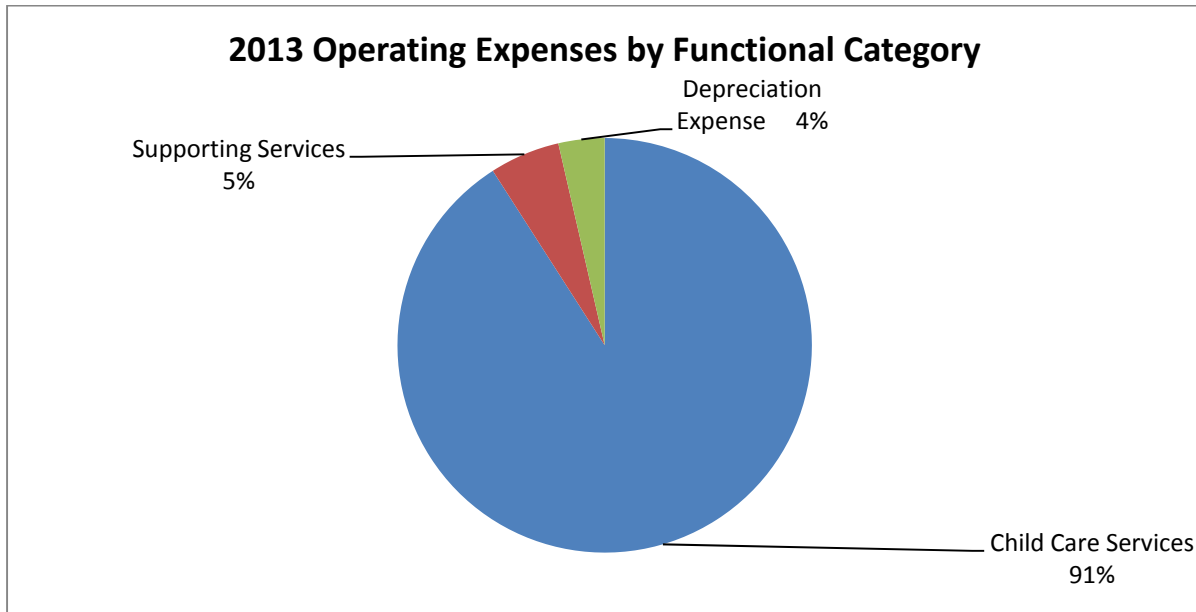
The Student Child Care Center's total revenues for fiscal year 2013 were \$641,000, an increase of \$16,000 over the prior fiscal year. Federal and State funding represents 29% and 27%, respectively, of the total revenue for the year ended June 30, 2013. The Student Child Care Center is dependent upon this support to carry out its operations. The overall increase in Child Care fees resulted from an increase in enrollment and tuition fees.

## Item 1 - Management's Discussion and Analysis

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The increase in non-operating revenues was primarily due to the recognition of realized and unrealized gains of approximately \$14,000 for investments in 2013 versus approximately \$4,000 in realized and unrealized gains in 2012.

### OPERATING EXPENSES



OPERATING EXPENSES				
	2013	2012	DOLLAR CHANGE	PERCENTAGE CHANGE
Child Care Services	\$ 597,243	\$ 556,220	\$ 41,023	7.4%
Supporting Services	35,987	22,335	13,652	61.1%
Depreciation Expense	23,586	-	23,586	N/A
<b>TOTAL</b>	<b>\$ 656,816</b>	<b>\$ 578,555</b>	<b>\$ 78,261</b>	<b>13.5%</b>

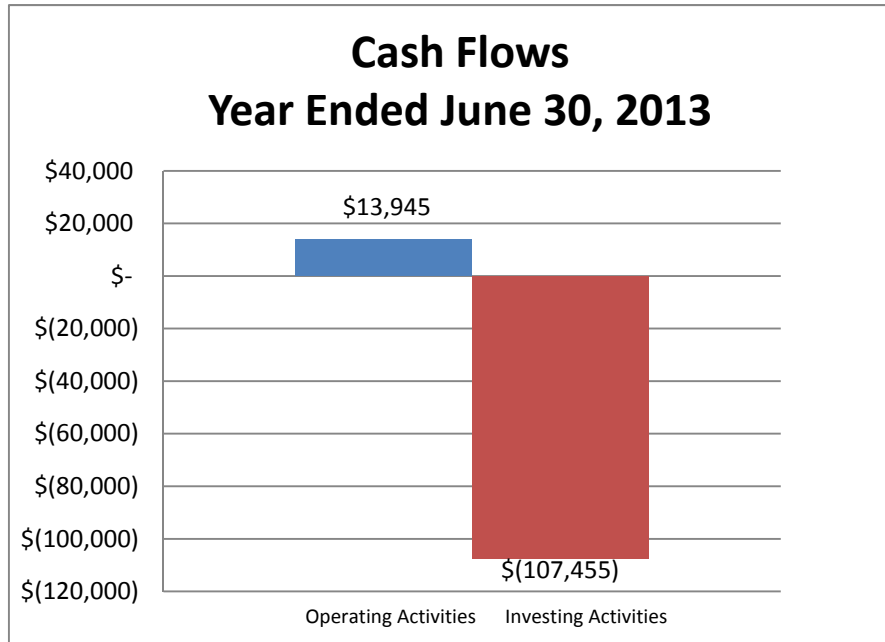
Total operating expenses for fiscal year 2013 were \$657,000, an increase of approximately \$78,000 (or 13.5%) compared to the previous year. Child Care Services expenses increased \$41,000 (or 7.4%), primarily due to an increase in personnel costs.

## Item 1 - Management's Discussion and Analysis

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### CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This statement assists users in assessing the Student Child Care Center's ability to generate net cash flows and its ability to meet its obligations as they come due. The following summarizes the Student Child Care Center's cash flows for the year ended June 30, 2013.



Cash receipts relating to operating activities consist primarily of funding from the federal and state governments. Cash outlays to Imagine Early Learning Centers, LLC, providers of child care services account for 95% of the total operating disbursements. Overall, net cash decreased by approximately \$94,000.

Investing activities primarily include proceeds from sales of the Center's share in the CUNY investment pool as well as purchase of capital assets.

### ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

In October 2011, CUNY finalized a contract for the construction of a new child care facility on the Lehman College campus. Construction of the new facility commenced in November 2011 and is expected to be completed during fiscal 2014. Construction costs related to this facility will be funded by CUNY and New York State.

The Student Child Care Center receives a substantial amount of its support from the federal government, New York State and other funding such as the Universal Pre-Kindergarten Services Grant. A significant reduction in levels of this support, if it were to occur, could have a significant effect on Student Child Care Programs and Activities.

## **Item 2. - Financial Statements**



## Independent Auditors' Report

**To the Board of Directors  
The Lehman College Student Child Care Center, Inc.**

We have audited the accompanying financial statements of The Lehman College Student Child Care Center, Inc. (a New York non-profit corporation), which comprise the statement of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position 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.

### **Auditors' 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 auditors' 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 net position of The Lehman College Student Child Care Center, Inc. as of June 30, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis referred to in the accompanying index be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

*PKF O'Connor Davies*  
June 20, 2014

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**The Lehman College Student Child Care Center, Inc.**

Statement of Net Position

	June 30	
	2013	2012
<b>ASSETS</b>		
Cash and Cash Equivalents (note 2)		
Checking account	\$ 51,555	\$ 145,065
Savings account	350,000	350,000
Total Cash and Cash Equivalents	401,555	495,065
Certificate of deposit (note 2)	104,183	104,079
Accounts Receivable		
Federal grant programs	190,058	278,612
CUNY Compact	103,700	66,000
Universal Pre-Kindergarten Services Grant	7,900	21,100
Funding from New York State	174,664	-
Other	1,011	214
Total Accounts Receivable	477,333	365,926
Prepaid expenses	4,695	829
Investments - share in the City University of New York Investment Pool, at market value (cost: \$45,708 in 2013 and \$162,235 in 2012) (note 2)	59,562	162,826
Capital assets, net (note 2 and 5)	212,269	-
Total Assets	\$ 1,259,597	\$ 1,128,725
<b>LIABILITIES AND NET POSITION</b>		
Accounts payable	\$ 123,157	\$ 6,436
Due to Imagine Early Learning Centers, LLC	55,958	26,203
Total Liabilities	179,115	32,639
Net Position		
Unrestricted		
Board-designated	181,184	393,453
Undesignated	687,029	702,633
Invested in capital assets	212,269	-
Total Net Position	\$ 1,080,482	\$ 1,096,086

See notes to financial statements

**The Lehman College Student Child Care Center, Inc.**

Statement of Revenues, Expenses and Changes in Net Position

	Year Ended June 30	
	2013	2012
<b>OPERATING REVENUES</b>		
Child care fees	\$ 97,285	\$ 85,522
Federal child care fee subsidies (note 3)	186,323	176,750
Funding from the State of New York (note 3)	174,664	174,664
Universal Pre-Kindergarten Services Grant	54,000	120,000
CUNY Compact	103,700	66,000
Total Operating Revenues	615,972	622,936
<b>OPERATING EXPENSES</b>		
Child care services (note 6)	597,243	556,220
Supporting services, management and general	35,987	22,335
Depreciation expense (notes 2 and 5)	23,586	-
Total Operating Expenses	656,816	578,555
Operating (Loss) Income	(40,844)	44,381
<b>NON-OPERATING REVENUES</b>		
Realized gain on investments	1,149	2,960
Net change in unrealized gain (loss) on investments	13,263	(6,500)
Interest and dividends	2,949	3,164
CUNY Campaign	7,879	2,963
Total Non-Operating Revenues	25,240	2,587
(Decrease) Increase in Net Position	(15,604)	46,968
Net position, beginning of year	1,096,086	1,049,118
Net position, end of year	\$ 1,080,482	\$ 1,096,086

See notes to financial statements

**The Lehman College Student Child Care Center, Inc.**

Statement of Cash Flows

	Year Ended June 30	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts of Federal child care fee subsidies	\$ 274,877	\$ 69,616
Receipts of CUNY Compact	66,000	66,000
Receipts of State of New York Funding	-	203,775
Receipts from Universal Pre-Kindergarten Services Grant	67,200	106,800
Receipts of child care fees	97,285	85,522
Disbursements for child care services	(450,767)	(648,976)
Other (disbursements), net	(40,650)	(21,038)
Net Cash Provided (Used) by Operating Activities	13,945	(138,301)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	2,949	3,164
Income (reinvested) in Investment Pool	(2,324)	(2,018)
Withdrawals from Investment Pool	120,000	-
Purchase of capital assets	(235,855)	-
(Increase) in certificates of deposit	(104)	(520)
CUNY Campaign	7,879	2,963
Net Cash Provided (Used) by Investing Activities	(107,455)	3,589
 Net (Decrease) in Cash and Cash Equivalents	 (93,510)	 (134,712)
 Cash and cash equivalents, beginning of year	 495,065	 629,777
 Cash and cash equivalents, end of year	 \$ 401,555	 \$ 495,065
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (40,844)	\$ 44,381
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation expense	23,586	-
Change in Assets and Liabilities		
(Increase) in accounts receivable	(111,407)	(89,290)
(Increase) decrease in prepaid expenses	(3,866)	2
Increase (decrease) in due to Imagine Early Learning Centers, LLC	29,755	(92,756)
Increase (decrease) in accounts payable	116,721	(638)
Net Cash Provided (Used) by Operating Activities	\$ 13,945	\$ (138,301)

See notes to financial statements

## The Lehman College Student Child Care Center, Inc.

Notes to Financial Statements  
June 30, 2013

### 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 child care 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

The significant accounting policies followed by the Corporation are described below:

#### **a. Basis of Presentation**

For financial reporting purposes, the Corporation is considered to be a special-purpose government engaged only in business-type activities. The Government Accounting Standards Board ("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 accounting principles generally accepted in the United States of America ("U.S. GAAP"), as prescribed by GASB, as well as applicable codified Financial Accounting Standards Board ("FASB") Standards, unless those pronouncements conflict with or contradict GASB pronouncements. For financial reporting purposes, the Corporation is also considered to be a component unit of CUNY, as defined by GASB.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

## The Lehman College Student Child Care Center, Inc.

Notes to Financial Statements  
June 30, 2013

### 2. Summary of Significant Accounting Policies (continued)

#### *b. New Accounting Pronouncements*

For the year ended June 30, 2013, the Corporation adopted the provisions of the following GASB Statements:

- GASB Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in FASB pronouncements, which does not conflict with or contradict GASB pronouncements, and eliminates the criteria to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements. The effect of the adoption of this pronouncement did not have a material impact on the Corporation's financial statements.
- GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position," establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). The statement requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the Corporation's financial statements was the renaming of "Net Assets" to "Net Position", including changing the name of the financial statement from "Statement of Net Assets" to "Statement of Net Position".
- GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities. There was no impact on the Corporation's financial statements as a result of the adoption of this statement.

#### *c. Net Position*

The Corporation segregates its net position as follows:

Restricted non-expendable: Net position is 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

June 30, 2013

## 2. Summary of Significant Accounting Policies (continued)

### c. *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.

Invested 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.

Unrestricted: All other categories of net position, including net position designated by actions of the Corporation's Board of Directors (see note 4).

### d. *Use of Estimates*

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and judgments 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 recognized during the reporting period. Accordingly, actual results could differ from those estimates.

### e. *Deposits and Investment Risk Disclosures*

#### *Custodial Credit Risk - Deposits*

Custodial credit risk of deposits is the risk that in the event of a bank failure the Corporation's deposits may not be returned to it. At June 30, 2013, \$151,555 of the Corporation's cash and cash equivalents were exposed to custodial credit risk as it was uninsured and uncollateralized.

#### *Concentration of Credit Risk*

The Corporation maintains its cash in financial institutions, which at times may exceed Federally insured limits. This potentially subjects the Corporation to a concentration of credit risk. The Corporation has not previously experienced any losses in such accounts, and as such the Corporation believes it is not exposed to any credit risk on uninsured cash.

The Corporation receives a substantial amount of its support from the Federal government, New York State and The City of New York. 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.

## The Lehman College Student Child Care Center, Inc.

### Notes to Financial Statements

June 30, 2013

## 2. Summary of Significant Accounting Policies *(continued)*

### ***Custodial Credit Risk - Investments***

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Corporation will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. The Corporation has not previously experienced such losses in its investment accounts, and as such the Corporation believes it is not exposed to any credit risk on its investments.

The Corporation's investments are held by the CUNY Investment Pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY. The Committee engages various advisory firms to assist in the management of the CUNY Investment Pool.

### ***f. Cash and Cash Equivalents***

Cash and cash equivalents include all highly liquid investments, with original maturities of three months or less. At June 30, 2013, cash equivalents include a certificate of deposit which is renewed on a monthly basis.

### ***g. Capital Assets***

Capital assets are stated at cost at the date of acquisition or, in case of gifts, at fair value at date of donation. Depreciation of equipment is computed using the straight-line method over an estimated useful life of five years.

At June 30, 2013, fully depreciated equipment of \$97,828 and leasehold improvements of \$80,840 were still in service (see note 5).

### ***h. Fair Value Measurement***

The Corporation measures and reports its investments at fair value, which is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy that distinguishes between market participant assumptions developed is established based on market data obtained from independent sources (observable inputs) and an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels with the highest priority to quoted prices in active markets (Level I) and the lowest priority to unobservable inputs (Level III).



## The Lehman College Student Child Care Center, Inc.

Notes to Financial Statements  
June 30, 2013

### 2. Summary of Significant Accounting Policies *(continued)*

#### *h. Fair Value Measurement (continued)*

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - Observable inputs such as quoted prices for identical assets or liabilities in active markets.

Level II - Observable inputs other than quoted prices substantiated by market data and observable, either directly or indirectly for the asset or liability. This includes quoted prices for similar assets or liabilities in active markets.

Level III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value of the measurement. Management of the Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The fair value of the Corporation's share in the CUNY Investment Pool (the "investment pool") has been estimated using the Net Asset Value ("NAV") as reported by investment pool management. The FASB's guidance provides for the use of a NAV as a "Practical Expedient" for estimating fair value of alternative investments, such as the investment pool. NAV reported by the investment pool is used as a practical expedient to estimate the fair value of the Corporation's interest therein and their classification within Level II at June 30, 2013 and 2012 is based upon the Corporation's ability to redeem its interest in the near term and liquidate the underlying portfolios.

The investment pool is comprised of the following:

	June 30	
	2013	2012
Mutual funds	50.04%	46.88%
Commingled funds	33.89%	37.30%
Hedge funds	6.97%	14.61%
Variable annuity	6.17%	0.00%
Other	2.93%	1.21%
	<u>100.00%</u>	<u>100.00%</u>

## The Lehman College Student Child Care Center, Inc.

Notes to Financial Statements  
June 30, 2013

### 2. Summary of Significant Accounting Policies *(continued)*

#### *h. Fair Value Measurement (continued)*

The fair value of these funds have been estimated using the net asset value per share of the investments.

The Corporation's certificate of deposit are reported in the accompanying statement of net assets at cost, which approximates market value.

#### *i. Revenue Recognition*

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

#### *j. Subsequent Events*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 20, 2014.

### 3. Federal and State Fund

CUNY is eligible to receive a portion of Child Care Federal Funds for the purpose of increasing the availability, affordability and quality of child care. The grant is intended to provide funding to all functions and support services that are traditionally associated with child care programs and to facilitate the expansion of child care to student parents. The Corporation's allocations of grant funds for each of the fiscal years ended June 30, 2013 and 2012 totaled \$186,323 and \$176,750, respectively. Grant amounts represent tuition subsidies to eligible students and are reported in the statement of revenues, expenses and changes in net position.

In addition, the Corporation was allocated \$174,664 in each of the fiscal years ended 2013 and 2012 from the New York State through tax levy appropriations for the provision of child care services at senior and community colleges.

### 4. Board Designated Funds

In fiscal years 2012 and 1991, the Board of Directors of the Corporation designated \$300,000 and \$100,000, respectively, of unrestricted funds as a reserve for expansion of child care services. During fiscal 2013, the Corporation has expended \$212,269 of these funds for expansion. The balances of this fund totaled \$181,184 and \$393,453 at June 30, 2013 and 2012, respectively.

**The Lehman College Student Child Care Center, Inc.**

Notes to Financial Statements  
June 30, 2013

**5. Capital Assets**

Capital assets still in service at June 30, 2013 and 2012 consisted of:

	<u>Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Leasehold Improvements</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net Capital Assets</u>
Balance, June 30, 2011	\$ 97,828	\$ -	\$ 80,840	\$ 177,999	\$ 669
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>	<u>(669)</u>
Balance, June 30, 2012	97,828	-	80,840	178,668	-
Additions	<u>31,916</u>	<u>203,939</u>	<u>-</u>	<u>23,586</u>	<u>212,269</u>
Balance, June 30, 2013	<u>\$ 129,744</u>	<u>\$ 203,939</u>	<u>\$ 80,840</u>	<u>\$ 202,254</u>	<u>\$ 212,269</u>

**6. Child Care Services**

The Corporation has engaged Imagine Early Learning Centers, LLC (“Imagine”) to provide child care services to children of students at the College. A formal written agreement will be signed once the State of New York has finalized and executed its agreement with CUNY regarding the provision of certain State funds to the College and its contractors for child care services. For the years ended June 30, 2013 and 2012 child care services expense totaled \$597,243 and \$556,220, respectively, of which \$55,958 and \$26,203 was payable to Imagine at June 30, 2013 and 2012, respectively.

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