

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

Financial Statements  
For Year Ended  
June 30, 2015

<b><u>Index</u></b>	<b><u>Page</u></b>
Item 1. Management's Discussion and Analysis	1-4
Item 2. Financial Statements	
Independent Auditors' Report	F-1
Statement of Net Position	F-3
Statement of Revenues, Expenses and Changes in Net Position	F-4
Statement of Cash Flows	F-5
Notes to Financial Statements	F-6

## Item 1 - Management Discussion and Analysis

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The intent of The Lehman College Student Child Care Center, Inc. Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of the Student Child Care Center's financial position and changes to its financial position for the year ended June 30, 2015. 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 Student Child Care Center's total net position declined \$87,462 in the fiscal year 2015 in comparison to a decline of \$62,280 in fiscal year 2014.
- The Student Child Care Center's total operating expense increased by \$95,296 or 9.2% primarily due to increase in the costs for providing child care services.
- The Student Child Care Center's total operating revenues increased by \$80,638 or 8.3% from the prior fiscal year primarily due to the recognition of additional federal childcare subsidies and child care fees.

### FINANCIAL POSITION

The Student Child Care Center had an operating loss of \$89,277 in fiscal year 2015 which contributed to the 19.6% decline in its net position from the prior fiscal year. At June 30, 2015 its total net position was \$930,740 compared to \$1,018,202 at June 30, 2014. Total liabilities and net position at June 30, 2015 were \$1,075,125, a 1.8% decline from the previous fiscal year.

### 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 assets as of June 30, 2015 and 2014:

## Item 1 - Management Discussion and Analysis

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	<u>2015</u>	<u>2014</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<b>ASSETS</b>				
Total Assets	\$ <u>1,075,125</u>	\$ <u>1,094,694</u>	\$ <u>(19,569)</u>	<u>(1.8%)</u>
<b>LIABILITIES</b>				
Total Liabilities	<u>144,385</u>	<u>76,492</u>	<u>67,893</u>	<u>88.8%</u>
<b>NET POSITION</b>				
Board - Designated	99,377	108,528	(9,151)	(8.4%)
Board – designated: fundraising	3,192	-	3,192	100.0%
Undesignated	692,554	721,832	(29,278)	(4.1%)
Invested in Capital Assets	<u>135,617</u>	<u>187,842</u>	<u>(52,225)</u>	<u>(27.8%)</u>
TOTAL NET POSITION	<u>930,740</u>	<u>1,018,202</u>	<u>(87,462)</u>	<u>(8.6%)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	\$ <u>1,075,125</u>	\$ <u>1,094,694</u>	\$ <u>(19,569)</u>	<u>(1.8%)</u>

At June 30, 2015, the Student Child Care Center's total net position decreased by \$87,462 or 8.6%. Total liabilities increased \$67,893 due to increased personnel costs as a result of the addition of a classroom in fiscal year 2015.

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

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the Student Child Care Center, as well as non-operating revenues and expenses. The major components of revenues for the fiscal years ended June 30, 2015 and 2014 are presented below:

## Item 1 - Management Discussion and Analysis

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### REVENUES

	2015	2014	Dollar Change	Percentage Change
<b>OPERATING</b>				
Federal Child Care Fee Subsidies	\$ 259,306	\$ 206,677	\$ 52,629	25.5%
Funding from State of New York	174,664	174,664	-	0.0%
CUNY Compact	104,200	104,200	-	0.0%
Child Care Fees	145,747	102,270	43,477	42.5%
Universal Pre-Kindergarten Services Grant	50,400	57,600	(7,200)	(12.5%)
Donated Space and Services	312,900	312,900	-	0.0%
Fundraising	-	8,268	(8,268)	(100.0%)
<b>TOTAL OPERATING</b>	<b>1,047,217</b>	<b>966,579</b>	<b>80,638</b>	<b>8.3%</b>
<b>TOTAL NON-OPERATING</b>	<b>1,815</b>	<b>12,339</b>	<b>10,524</b>	<b>85.3%</b>
<b>TOTAL REVENUES</b>	<b>\$ 1,049,032</b>	<b>\$ 978,918</b>	<b>\$ 91,162</b>	<b>9.3%</b>

The Student Child Care Center's total revenues for fiscal year 2015 were \$1,049,032, an increase of \$91,162 over the prior fiscal year. Federal, State and Child care fees funding represents 24.7%, 16.6% and 13.8%, respectively, of total fiscal year 2015 revenues. The Student Child Care Center is dependent upon this support to carry out its operations. The increase in Federal Child Care Fee Subsidies is a result of additional allocations of funds. The increase in Child Care fees represented additional income as a result of the opening of a new classroom in fiscal year 2015.

### OPERATING EXPENSES

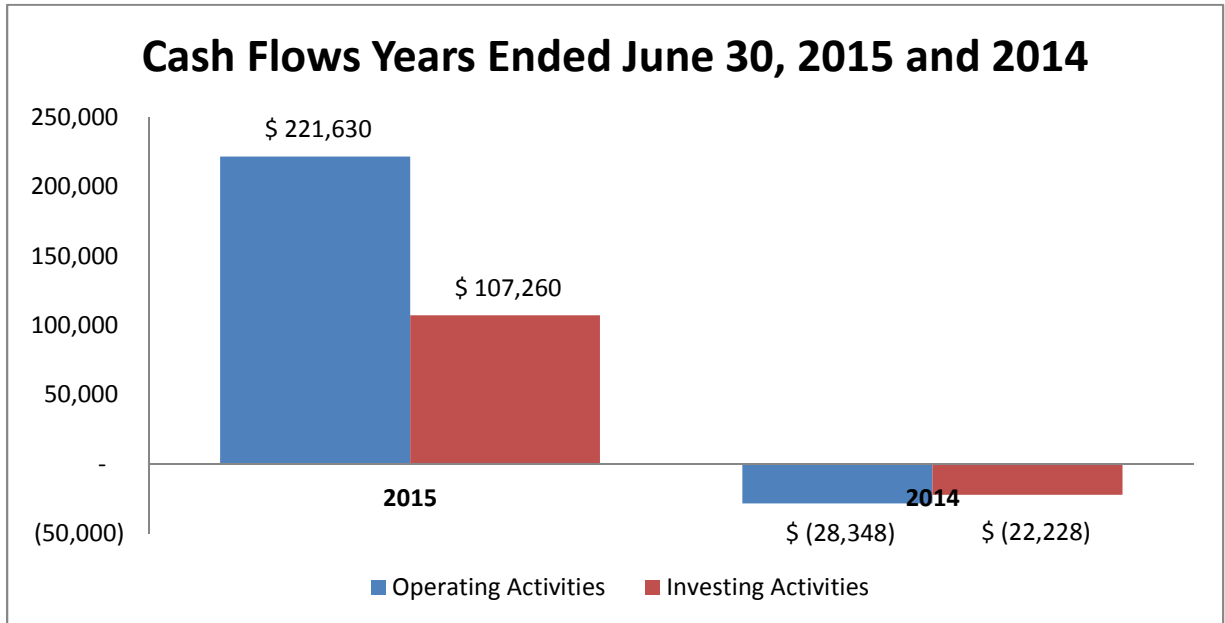
	2015	2014	Dollar Change	Percentage Change
Child Care Services	\$ 731,705	\$ 612,452	\$ 119,253	19.5%
Donated Space and Services	312,900	312,900	-	0.0%
Supporting Services	39,664	66,148	(26,484)	(40.0%)
Depreciation Expense	52,225	49,698	2,527	5.1%
<b>TOTAL</b>	<b>\$ 1,136,494</b>	<b>\$ 1,041,198</b>	<b>\$ 95,296</b>	<b>9.2%</b>

Total operating expenses for fiscal year 2015 were \$1,136,494 an increase of \$95,296 or 9.2% compared to the prior fiscal year. Child Care Services expenses increased \$119,253 or 19.5%, primarily due to the addition of a new classroom in fiscal year 2015 in anticipation of the expansion of the Universal Pre-Kindergarten Grant Program. The child care center did not receive this additional grant money in fiscal year 2015 and used this classroom to accommodate additional students from its regular registration.

## Item 1 - Management Discussion and Analysis

### 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 become due. The following summarizes the Student Child Care Center's cash flows for the years ended June 30, 2015 and 2014.



Cash receipts relating to operating activities consist primarily of funding from the Federal and State governments. Cash outlays to Imagine Early Learning Centers, LLC, the provider of child care services account for 64.3% of the total operating disbursements. Overall, net cash increased by \$328,890 to a total of \$679,869 in cash and cash equivalents at year end. This is primarily due to the timing of cash receipts and disbursements in fiscal year 2015 in comparison to the prior fiscal year.

### ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

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 impact 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, 2015 and 2014, 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.

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## **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, 2015 and 2014, 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.

## **Change in Accounting Principle**

As discussed in note 2j to the financial statements, the Corporation adopted a method of accounting for donated space and services as required by accounting principles generally accepted in the United States of America. As a result, the statement of revenues, expenses and changes in net position for the fiscal year ended June 30, 2014 has been restated. Our opinion is not modified with respect to this matter.

## **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 financial statements. Such information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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*

September 29, 2015

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

Statement of Net Position

	June 30	
	2015	2014
<b>ASSETS</b>		
Cash and Cash Equivalents (note 2)		
Checking account	\$ 679,869	\$ 100,978
Certificate of deposit	-	250,001
Total Cash and Cash Equivalents	679,869	350,979
Certificate of deposit (note 2)	-	104,288
Accounts Receivable		
Federal grant programs	141,924	196,250
Funding from New York State	43,666	174,664
Universal Pre-Kindergarten Services Grant	5,159	2,725
Other	591	720
Total Accounts Receivable	191,340	374,359
Prepaid expenses	703	8,473
Investments - share in the City University of New York Investment Pool, at market value (cost: \$56,655 in 2015 and \$55,878 in 2014) (note 2)	67,596	68,753
Capital assets, net (note 2 and 5)	135,617	187,842
 Total Assets	 \$ 1,075,125	 \$ 1,094,694
 <b>LIABILITIES AND NET POSITION</b>		
Liabilities		
Accounts payable	\$ 2,427	\$ 10,310
Due to Imagine Early Learning Centers, LLC	141,958	66,182
Total Liabilities	144,385	76,492
Net Position		
Unrestricted		
Board-designated	99,377	108,528
Board-designated: fundraising	3,192	-
Undesignated	692,554	721,832
Invested in capital assets	135,617	187,842
Total Net Position	930,740	1,018,202
 Total Liabilities and Net Position	 \$ 1,075,125	 \$ 1,094,694

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	
	2015	2014
<b>OPERATING REVENUES</b>		
Federal child care fee subsidies (note 3)	\$ 259,306	\$ 206,677
Funding from the State of New York (note 3)	174,664	174,664
CUNY Compact	104,200	104,200
Child care fees	145,747	102,270
Universal Pre-Kindergarten Services Grant	50,400	57,600
Donated space and services (note 2)	312,900	312,900
Contributions	-	8,268
Total Operating Revenues	1,047,217	966,579
<b>OPERATING EXPENSES</b>		
Child care services (note 6)	731,705	612,452
Donated space and services (note 2)	312,900	312,900
Supporting services, management and general	39,664	66,148
Depreciation expense (notes 2 and 5)	52,225	49,698
Total Operating Expenses	1,136,494	1,041,198
Operating (Loss)	(89,277)	(74,619)
<b>NON-OPERATING REVENUES</b>		
Realized gain on investments	292	9,631
Net change in unrealized gain on investments	(1,936)	(979)
Interest and dividends	807	1,019
CUNY Campaign	2,652	2,668
Total Non-Operating Revenues	1,815	12,339
(Decrease) in Net Position	(87,462)	(62,280)
Net position, beginning of year	1,018,202	1,080,482
Net position, end of year	\$ 930,740	\$ 1,018,202

See notes to financial statements

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

Statement of Cash Flows

	Year Ended	
	June 30	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts of CUNY Compact	\$ 104,200	\$ 207,900
Receipts of Federal child care fee subsidies	313,632	200,485
Receipts of State of New York Funding	305,662	174,664
Receipts of child care fees	145,747	102,270
Receipts from Universal Pre-Kindergarten Services Grant	47,966	62,775
Receipts of contributions	-	8,268
Disbursements for child care services	(655,929)	(715,075)
Other (disbursements), net	(39,648)	(69,635)
Net Cash Provided (Used) by Operating Activities	221,630	(28,348)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
CUNY Campaign	2,652	2,668
Interest and dividends	807	1,019
Purchase of capital assets	-	(25,271)
Income (reinvested) in Investment Pool	(487)	(539)
Decrease (increase) in certificates of deposit	104,288	(105)
Net Cash Provided (Used) by Investing Activities	107,260	(22,228)
Net Increase (Decrease) in Cash and Cash Equivalents	328,890	(50,576)
Cash and cash equivalents, beginning of year	350,979	401,555
Cash and cash equivalents, end of year	\$ 679,869	\$ 350,979
Reconciliation of Operating (Loss) to Net Cash		
Provided (Used) by Operating Activities		
Operating (loss)	\$ (89,277)	\$ (74,619)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities		
Depreciation expense	52,225	49,698
Bad debt expense	-	4,817
Change in Assets and Liabilities		
Decrease in accounts receivable	183,019	98,157
Decrease (increase) in prepaid expenses	7,770	(3,778)
Increase in due to Imagine Early Learning Centers, LLC	75,776	10,224
(Decrease) in accounts payable	(7,883)	(112,847)
Net Cash Provided (Used) by Operating Activities	\$ 221,630	\$ (28,348)

See notes to financial statements

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

Notes to Financial Statements  
June 30, 2015

### 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 entity 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, 2015

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

**b. 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.

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).

**c. 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.

**d. 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, 2015, \$429,869 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 and cash equivalents on deposit in one financial institution, in a combined amount which exceeds the Federally insured limit. This potentially subjects the Corporation to a concentration of credit risk. The Corporation has not experienced any losses in such accounts.

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

Notes to Financial Statements  
June 30, 2015

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

**d. Deposits and Investment Risk Disclosures (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 experienced such losses in its investment accounts.

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.

**e. Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments, with maturities of three months or less at the time of purchase. At June 30, 2014, cash equivalents include a certificate of deposit which was renewed on a monthly basis. During fiscal 2015, it was redeemed and deposited into the Corporation's checking account.

**f. Certificate of Deposit**

The Corporation's certificate of deposit was reported at cost, which approximated fair value at June 30, 2014.

**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.

During the fiscal years ended June 30, 2015 and 2014, the Corporation wrote off \$70,951 and \$26,877 of fully depreciated equipment and \$0 and \$80,840 of fully depreciated leasehold improvements which were no longer in use (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 (i.e. the exit price).

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

Notes to Financial Statements  
June 30, 2015

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

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

The Corporation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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. U.S. GAAP 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 2 at June 30, 2015 and 2014 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	
	2015	2014
Commingled funds	\$37,178	\$39,134
Mutual funds	17,575	17,298
Hedge funds	8,787	7,577
Variable annuity	4,056	4,744
	<u>\$67,596</u>	<u>\$68,753</u>

#### *i. Revenue Recognition*

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

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, 2015

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

#### *j. Donated Space and Services*

The College makes a portion of its facilities available at no cost to the Corporation for the operation of child care services. During fiscal 2015, the Corporation adopted recently issued U.S. GAAP guidance and recognized the estimated fair value of such donated space and services, which totaled \$312,900 for the fiscal year ended June 30, 2015, as both operating revenues and expenses in the accompanying statement of revenues, expense and changes in net position. The impact of the adoption of this guidance was applied retroactively and also increased revenues and expenses by \$312,900 for the fiscal year ended June 30, 2014.

#### *k. Functional Allocation*

The costs of providing the various programs and other activities of the Corporation have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services.

#### *l. Uncertainty in Income Taxes*

U.S. GAAP requires evaluation of tax positions taken by the Corporation and recognition of liability in the financial statements, if the Corporation has taken uncertain tax positions that more likely-than-not would not be sustained upon examination by the tax authorities. As of June 30, 2015, the Corporation has determined that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Corporations tax returns for all years since June 30, 2012 remain open to examination by the respective tax authorities. There are currently no tax examinations in progress.

#### *m. 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 September 29, 2015.

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

Notes to Financial Statements  
June 30, 2015

### 3. 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 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, 2015 and 2014 totaled \$259,306 and \$206,677, 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 2015 and 2014 from the State of New York through tax levy appropriations for the provision of child care services at senior and community colleges.

### 4. Board Designated Funds

During 2015, the Board of Directors designated \$3,192, of undesignated funds, which represented the net proceeds resulting from the golf outing held during fiscal 2014, to be used towards future fundraising activities.

In fiscal years 2012 and 1991, the Board of Directors designated \$300,000 and \$100,000, respectively, of unrestricted funds as a reserve for the expansion of child care services. During fiscal 2015, the Corporation expended \$9,151 of these funds for expansion. The balance of this fund totaled \$99,377 and \$108,528 at June 30, 2015 and 2014, respectively.

### 5. Capital Assets

Capital assets still in service at June 30, 2015 and 2014 consisted of:

	Equipment	Furniture & Fixtures	Leasehold Improvements	Accumulated Depreciation and Amortization	Net Capital Assets
Balance, June 30, 2013	\$ 129,744	\$ 203,939	\$ 80,840	\$ 202,254	\$ 212,269
Additions	9,074	16,197	-	49,698	(24,427)
Write-offs (note 2g)	(26,877)	-	(80,840)	(107,717)	-
Balance, June 30, 2014	111,941	220,136	-	144,235	187,842
Additions	-	-	-	52,225	(52,225)
Write-offs (note 2g)	(70,951)	-	-	(70,951)	-
Balance, June 30, 2015	<u>\$ 40,990</u>	<u>\$ 220,136</u>	<u>\$ -</u>	<u>\$ 125,509</u>	<u>\$ 135,617</u>

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

Notes to Financial Statements  
June 30, 2015

**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 through June 30, 2019. For the years ended June 30, 2015 and 2014 child care services expense totaled \$731,705 and \$612,452, respectively, of which \$141,958 and \$66,182 were payable to Imagine at June 30, 2015 and 2014, respectively.

\* \* \* \* \*