

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

Financial Statements  
For Year Ended  
June 30, 2016

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## 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, 2016. 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 liabilities and net position at June 30, 2016 was \$936,159, a decline of \$138,966 from the previous fiscal year.
- The Student Child Care Center's total net position at June 30, 2016 was \$851,799, a decline of \$78,941 from fiscal year 2015.
- The Student Child Care Center's total operating revenues increased by \$106,497 or 10.2% from the prior fiscal year primarily due to full year support for universal pre-kindergarten grant.
- The Student Child Care Center's total operating expense increased by \$97,354 or 8.6% primarily due to an increase in the costs for providing child care services and an increase in the calculation for donated space due to a change in the applied market rate.

### FINANCIAL POSITION

The Student Child Care Center had an operating (loss) of \$(80,134) in fiscal year 2016 which contributed to the decline in net position from the prior fiscal year. At June 30, 2016 its total net position was \$851,799 compared to \$930,740 at June 30, 2015. Total liabilities and net position at June 30, 2016 were \$936,159, a 12.9% 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, 2016 and June 30, 2015:

## Item 1 - Management Discussion and Analysis

	2016	2015	Dollar Change	Percentage Change
<b>ASSETS</b>				
Total Assets	\$ 936,159	\$ 1,075,125	\$ (138,966)	(12.9%)
<b>LIABILITIES</b>				
Total Liabilities	84,360	144,385	(60,025)	(41.6%)
<b>NET POSITION</b>				
Board Designated	99,377	99,377	-	-
Board Designated:fundraising	3,192	3,192	-	-
Undesignated	665,837	692,554	(26,717)	(3.9%)
Invested in Capital Assets	83,392	135,617	(52,225)	(38.5%)
<b>TOTAL NET POSITION</b>	<b>851,799</b>	<b>930,740</b>	<b>(78,942)</b>	<b>(8.5%)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 936,159</b>	<b>\$ 1,075,125</b>	<b>\$ (138,967)</b>	<b>(12.9%)</b>

At June 30, 2016, the Student Child Care Center's total net position decreased by \$78,941 or 8.5%. Total liabilities decreased \$60,025. This is primarily due to a change in the way the third party vendor was remitted revenues from the Student Child Care Center. Beginning in fiscal year 2016 monies were transferred monthly based on actual expenditures. In prior fiscal years, a fixed amount was transferred monthly and reconciled to actual expenditures at year end.

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

The Statement of Revenues, Expenses and Changes in Net Position presents 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, 2016 and 2015 are presented below:

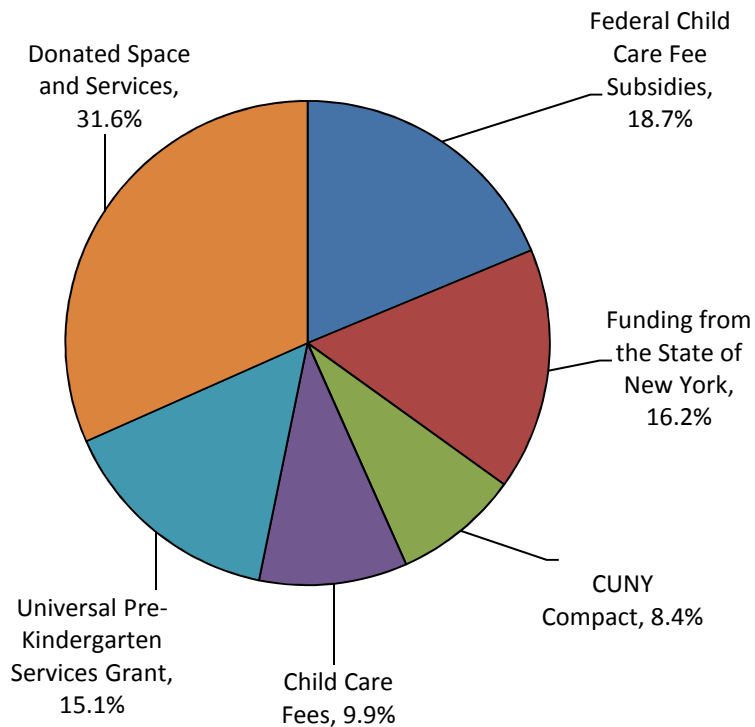
#### REVENUES

	2016	2015	Dollar Change	Percentage Change
<b>OPERATING REVENUES</b>				
Federal Child Care Fee Subsidies	\$ 216,219	\$ 259,306	\$ (43,087)	(16.6%)
Funding from the State of New York	186,635	174,664	11,971	6.9%
CUNY Compact	97,081	104,200	(7,119)	(6.8%)
Child Care Fees	114,129	145,747	(31,618)	(21.7%)
Universal Pre-Kindergarten Services Grant	174,600	50,400	124,200	246.4%
Donated Space and Services	365,050	312,900	52,150	16.7%
<b>TOTAL OPERATING REVENUES</b>	<b>1,153,714</b>	<b>1,047,217</b>	<b>106,497</b>	<b>10.2%</b>
<b>TOTAL NON-OPERATING REVENUES</b>	<b>1,193</b>	<b>1,815</b>	<b>(622)</b>	<b>(34.3%)</b>
<b>TOTAL REVENUES</b>	<b>\$ 1,154,907</b>	<b>\$ 1,049,032</b>	<b>\$ 105,875</b>	<b>10.1%</b>

## Item 1 - Management Discussion and Analysis

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The Student Child Care Center's total revenues for fiscal year 2016 were \$1,154,907, an increase of \$105,875 over the prior fiscal year. Federal, State and Universal Pre-Kindergarten funding represents 18.7%, 16.2% and 15.1%, respectively, of total fiscal year 2016 revenues. The Student Child Care Center is dependent upon this support to carry out its operations. An expansion of the Universal Pre-Kindergarten program in fiscal year 2016 allowed the Center to serve more students.



### OPERATING EXPENSES

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<b>Child Care Services</b>	\$ 786,472	\$ 731,705	\$ 54,767	7.5%
<b>Donated Space and Services</b>	365,050	312,900	52,150	16.7%
<b>Support Services, Management and General</b>	30,101	39,664	(9,563)	(24.1%)
<b>Depreciation Expense</b>	52,225	52,225	-	0.0%
<b>TOTAL</b>	<u>\$ 1,233,848</u>	<u>\$ 1,136,494</u>	<u>\$ 97,354</u>	<u>8.6%</u>

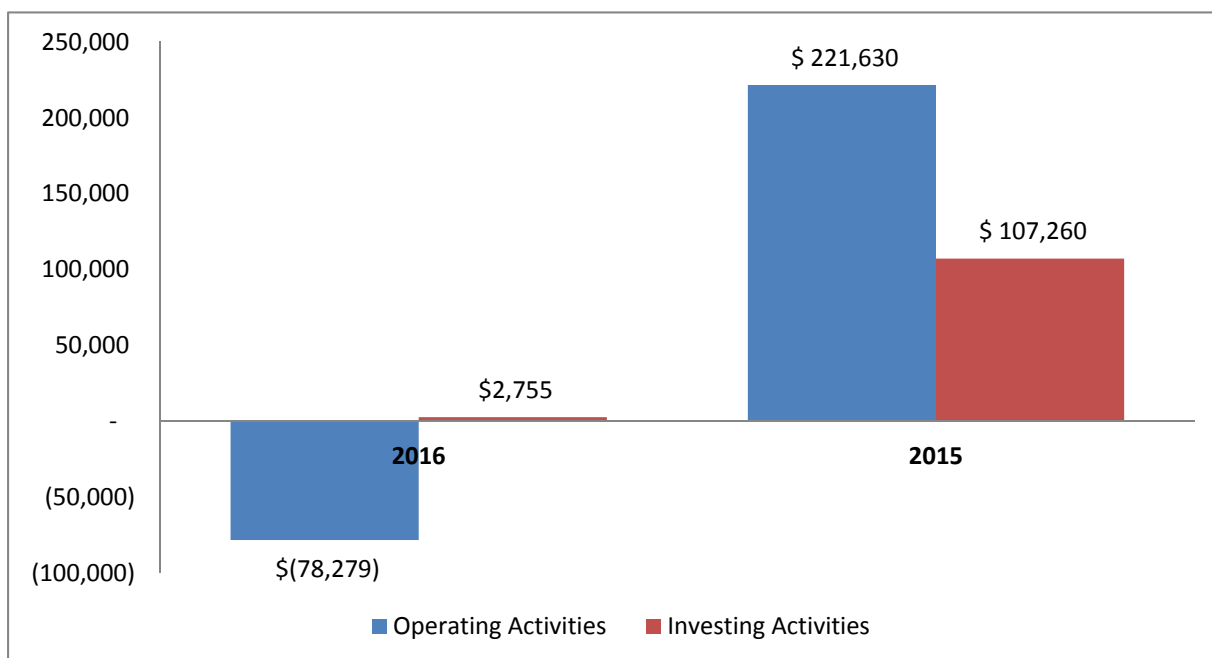
## Item 1 - Management Discussion and Analysis

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Total operating expenses for fiscal year 2016 were \$1,233,848, an increase of \$97,354 or 8.6% compared to the prior fiscal year. Child Care Services expenses increased \$54,767 or 7.5%, primarily due to the expansion of the Universal Pre-Kindergarten Program due to the receipt of additional grant monies from New York City.

### 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, 2016 and 2015:



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 63.7% of the total operating disbursements. Overall, net cash (decreased) by \$(75,524) to a total of \$604,345 in cash at June 30, 2016. This is primarily due to the timing of cash receipts and disbursements in fiscal year 2016 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. In addition, Lehman College makes a portion of its facilities available at no cost to the Student Child Care Center for the operation of child care services. 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, 2016 and 2015, 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, 2016 and 2015, 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.

## **Report on 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, LLP*

September 23, 2016

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

Statement of Net Position

	June 30	
	2016	2015
<b>ASSETS</b>		
Cash	\$ 604,345	\$ 679,869
Accounts Receivable		
Federal grant programs	53,331	141,924
Funding from New York State	15,553	43,666
Universal Pre-Kindergarten Services Grant	8,801	5,159
CUNY Compact	97,081	-
Other	3,218	591
Total Accounts Receivable	177,984	191,340
Prepaid expenses	4,404	703
Investments - share in the City University of New York Investment Pool, at fair value (cost: \$57,431 in 2016 and \$56,655 in 2015) (note 2)	66,034	67,596
Capital assets, net (note 2 and 5)	83,392	135,617
 Total Assets	\$ 936,159	\$ 1,075,125
 <b>LIABILITIES AND NET POSITION</b>		
Liabilities		
Accounts payable	\$ 4,480	\$ 2,427
Due to Imagine Early Learning Centers, LLC	79,880	141,958
Total Liabilities	84,360	144,385
 Net Position		
Unrestricted		
Board-designated	99,377	99,377
Board-designated: fundraising	3,192	3,192
Undesignated	665,838	692,554
Invested in capital assets	83,392	135,617
Total Net Position	851,799	930,740
 Total Liabilities and Net Position	\$ 936,159	\$ 1,075,125

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	
	2016	2015
<b>OPERATING REVENUES</b>		
Federal child care fee subsidies (note 3)	\$ 216,219	\$ 259,306
Funding from the State of New York (note 3)	186,635	174,664
Universal Pre-Kindergarten Services Grant	174,600	50,400
Child care fees	114,129	145,747
CUNY Compact	97,081	104,200
Donated space and services (note 2)	365,050	312,900
Total Operating Revenues	1,153,714	1,047,217
<b>OPERATING EXPENSES</b>		
Child care services (note 6)	786,472	731,705
Donated space and services (note 2)	365,050	312,900
Supporting services, management and general	30,101	39,664
Depreciation expense (notes 2 and 5)	52,225	52,225
Total Operating Expenses	1,233,848	1,136,494
Operating (Loss)	(80,134)	(89,277)
<b>NON-OPERATING REVENUES</b>		
Realized gain on investments	431	292
Net change in unrealized gain on investments	(2,338)	(1,936)
Interest and dividends	634	807
CUNY Campaign	2,466	2,652
Total Non-Operating Revenues	1,193	1,815
(Decrease) in Net Position	(78,941)	(87,462)
Net position, beginning of year	930,740	1,018,202
Net position, end of year	\$ 851,799	\$ 930,740

See notes to financial statements

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

Statement of Cash Flows

	Year Ended	
	June 30	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts of CUNY Compact	\$ -	\$ 104,200
Receipts of Federal child care fee subsidies	304,812	313,632
Receipts of State of New York Funding	214,748	305,662
Receipts of child care fees	114,129	145,747
Receipts from Universal Pre-Kindergarten Services Grant	170,958	47,966
Disbursements for child care services	(848,550)	(655,929)
Other (disbursements), net	(34,376)	(39,648)
Net Cash (Used) Provided by Operating Activities	(78,279)	221,630
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
CUNY Campaign	2,466	2,652
Interest and dividends	634	807
Income (reinvested) in Investment Pool	(345)	(487)
Decrease in certificates of deposit	-	104,288
Net Cash Provided by Investing Activities	2,755	107,260
Net (Decrease) Increase in Cash	(75,524)	328,890
Cash, beginning of year	679,869	350,979
Cash, end of year	\$ 604,345	\$ 679,869
<b>Reconciliation of Operating (Loss) to Net Cash</b>		
(Used) Provided by Operating Activities		
Operating (loss)	\$ (80,134)	\$ (89,277)
Adjustments to reconcile operating (loss) to net cash (used) provided by operating activities		
Depreciation expense	52,225	52,225
Change in Assets and Liabilities		
Decrease in accounts receivable	13,356	183,019
(Increase) decrease in prepaid expenses	(3,701)	7,770
(Decrease) increase in due to Imagine Early Learning Centers, LLC	(62,078)	75,776
Increase (decrease) in accounts payable	2,053	(7,883)
Net Cash (Used) Provided by Operating Activities	\$ (78,279)	\$ 221,630

See notes to financial statements

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

Notes to Financial Statements  
June 30, 2016

### **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, 2016

**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, 2016, \$354,345 of the Corporation's cash was exposed to custodial credit risk as it was uninsured and uncollateralized.

**Concentration of Credit Risk**

The Corporation maintains its cash 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, 2016

**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. 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 year ended June 30, 2015, the Corporation wrote-off \$70,951 of fully depreciated equipment which was no longer in use (see note 5).

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

Notes to Financial Statements  
June 30, 2016

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

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

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, 2016 and 2015 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	
	2016	2015
Commingled funds	\$37,745	\$37,178
Mutual funds	16,716	17,575
Hedge funds	7,852	8,787
Variable annuity	3,540	4,056
Private equity	181	-
	<u>\$66,034</u>	<u>\$67,596</u>

#### *g. 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.

#### *h. 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. The estimated fair value of such donated space and services was \$365,050 and \$312,900 for the fiscal years ended June 30, 2016 and 2015, respectively, and is recognized as both operating revenues and expenses in the accompanying statement of revenues, expense and changes in net position.



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

Notes to Financial Statements  
June 30, 2016

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

#### *i. 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.

#### *j. 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, 2016, the Corporation has determined that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Corporation's tax returns for all years since June 30, 2013 remain open to examination by the respective tax authorities. There are currently no tax examinations in progress.

#### *k. 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 23, 2016.

### 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, 2016 and 2015 totaled \$216,219 and \$259,306, 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 \$186,635 and \$174,664 in the fiscal years ended June 30, 2016 and 2015, respectively, from the State of New York through tax levy appropriations for the provision of child care services at senior and community colleges.

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

Notes to Financial Statements  
June 30, 2016

**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 at June 30, 2016 and 2015.

**5. Capital Assets**

Capital assets still in service at June 30, 2016 and 2015 consisted of:

	<u>Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net Capital Assets</u>
Balance, June 30, 2014	\$111,941	\$ 220,136	\$ 144,235	\$187,842
Additions	-	-	52,225	(52,225)
Write-offs (note 2g)	<u>(70,951)</u>	-	<u>(70,951)</u>	-
Balance, June 30, 2015	40,990	220,136	125,509	135,617
Additions	-	-	52,225	(52,225)
Balance, June 30, 2016	<u>\$ 40,990</u>	<u>\$ 220,136</u>	<u>\$ 177,734</u>	<u>\$ 83,392</u>

**6. Child Care Services**

The Corporation has engaged Imagine Early Learning Centers, LLC to provide child care services to children of students at the College through June 30, 2019. For the years ended June 30, 2016 and 2015, child care services expense totaled \$786,472 and \$731,705, respectively, of which \$79,880 and \$141,958 were payable to Imagine at June 30, 2016 and 2015, respectively.

\* \* \* \* \*