

THE LEHMAN COLLEGE STUDENT
CHILD CARE CENTER, INC.
Financial Statements and
Supplementary Information
June 30, 2018 and 2017
(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, 2018 and 2017, 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, 2018 and 2017, 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 7 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 audit was 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 audit 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
October 1, 2018

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis

June 30, 2018

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, 2018, 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 \$1,358,415, an increase of \$151,260 or 12.5% from the previous fiscal year.
- Operating expenses totaled \$1,386,362, an increase of \$153,958 or 12.5% from the previous fiscal year.
- Total assets equaled \$922,768, an increase of \$26,960 or 3.0% from the previous fiscal year.
- Total net position equaled \$815,140, declining 2.6% or \$21,817 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.

Statements of Net Position

The following summarizes the Corporation's assets, liabilities and net position as of June 30, 2018 and 2017, under the accrual basis of accounting:

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percent change</u>
Total assets	\$ <u>922,768</u>	<u>895,808</u>	<u>26,960</u>	<u>3.0%</u>
Total liabilities	<u>107,628</u>	<u>58,851</u>	<u>48,777</u>	<u>82.9%</u>
Net position:				
Net investment in capital assets	<u>2,527</u>	<u>31,167</u>	<u>(28,640)</u>	<u>(91.9%)</u>
Unrestricted	<u>812,613</u>	<u>805,790</u>	<u>6,823</u>	<u>0.8%</u>
Total net position	\$ <u>815,140</u>	<u>836,957</u>	<u>(21,817)</u>	<u>(2.6%)</u>

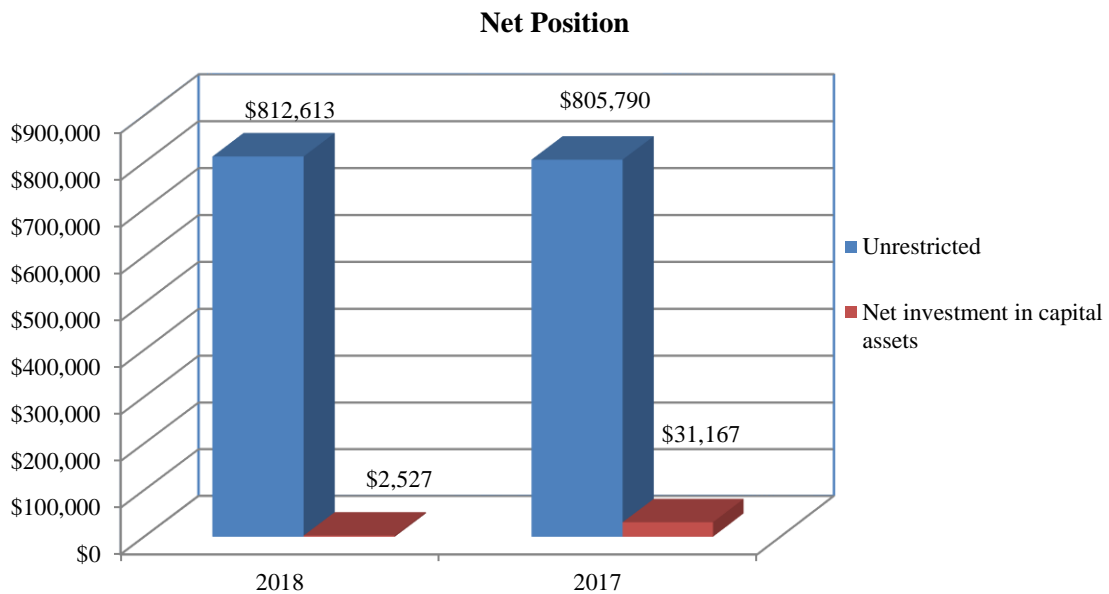
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Management's Discussion and Analysis, Continued

At June 30, 2018, the Corporation's total net position was \$815,140 compared to \$836,957 at June 30, 2017. This represents a decrease of \$21,817 or 2.6%, compared to the previous fiscal year.

At June 30, 2018, the Corporation's total liabilities increased by \$48,777 or 82.9%. This is largely due to a \$54,568 increase in the amount of reimbursements owed to Imagine Early Learning Centers, LLC from the Corporation at year end 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, 2018 and 2017 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

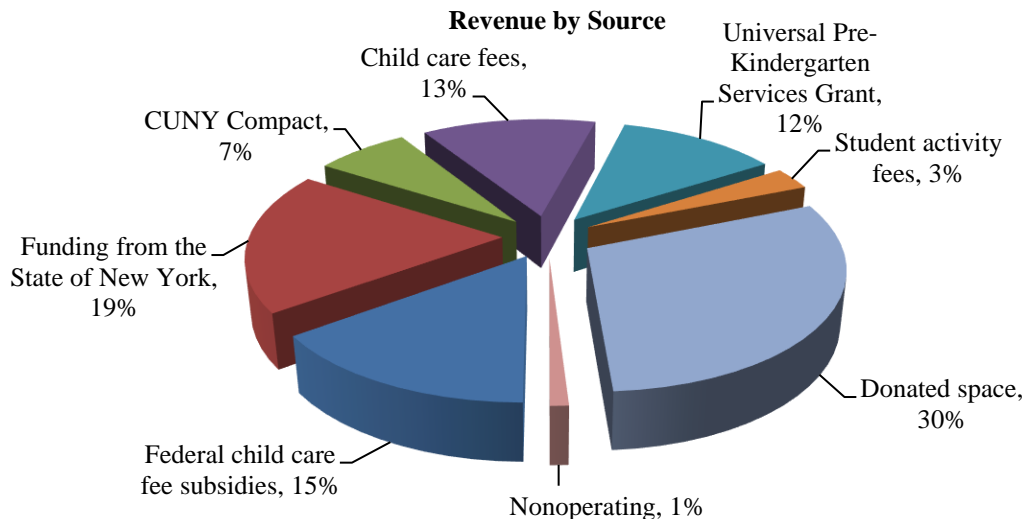
The statements of revenue, expenses and changes in net position present the operating results of the Corporation, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2018 and 2017, are as follows:

Revenue

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Federal child care fee subsidies	\$ 206,219	216,340	(10,121)	(4.7%)
Funding from the State of New York	258,430	186,635	71,795	38.5%
Universal Pre-Kindergarten Services Grant	167,436	167,450	(14)	(.01%)
Child care fees	180,585	142,225	38,360	27.0%
CUNY Compact	97,296	97,296	-	-
Student activity fees	36,114	32,159	3,955	12.3%
Donated space	<u>412,335</u>	<u>365,050</u>	<u>47,285</u>	<u>13.0%</u>
Total operating revenue	1,358,415	1,207,155	151,260	12.5%
Nonoperating revenue	<u>6,130</u>	<u>10,407</u>	<u>(4,277)</u>	<u>(41.1%)</u>
Total revenue	\$ <u>1,364,545</u>	<u>1,217,562</u>	<u>146,983</u>	<u>12.1%</u>

The Corporation’s total revenue for the year ended June 30, 2018 amounted to \$1,364,545, an increase of \$146,983 or 12.1%, compared to the previous year. The major components of this was an increase in the State Allocation of \$71,795 and an increase in child care fees due to the expansion of enrollment to children of faculty and staff.

The following illustrates the Corporation’s revenue, by source, for the year ended June 30, 2018:



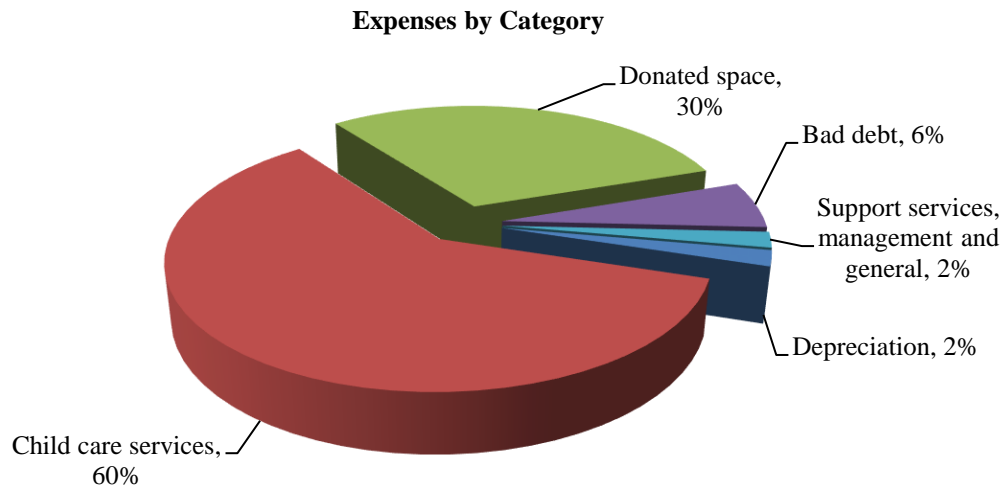
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Management's Discussion and Analysis, Continued

Expenses

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Child care services	\$ 829,172	790,088	39,084	4.9%
Donated space	412,335	365,050	47,285	13.0%
Support services, management and general	30,845	25,041	5,804	23.2%
Bad debt	85,370	-	85,370	100.0%
Depreciation	<u>28,640</u>	<u>52,225</u>	<u>(23,585)</u>	<u>(45.2%)</u>
Total operating expenses	\$ <u>1,386,362</u>	<u>1,232,404</u>	<u>153,958</u>	<u>12.5%</u>

Total expenses for the year ended June 30, 2018 were \$1,386,362, an increase of \$153,958 or 12.5%, over the previous fiscal year. The major components of this was an increase in child care expenses due to increases in enrollment and teacher salaries, changes to the amount of square footage used in the calculation of donated space, and a bad debt write off of \$85,370 to adjust for a prior year receivable in state aid that was deemed uncollectible.

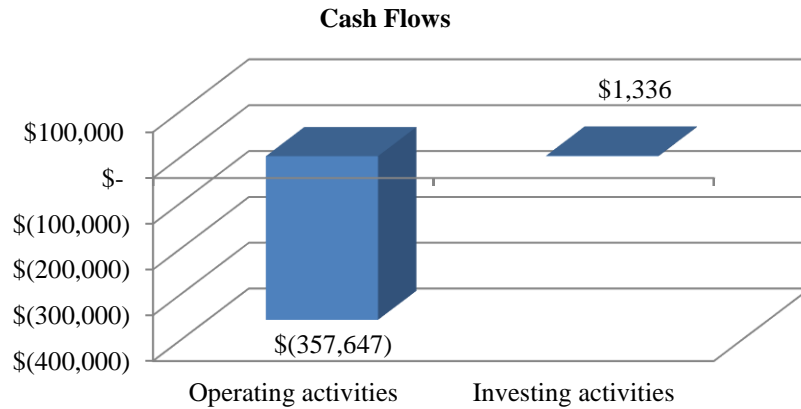
The following illustrates the Corporation's expenses, by category, for the year ended June 30, 2018:



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

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, 2018:



The Corporation's \$356,311 decline in cash on hand at June 30, 2018 is largely attributable to an increase in receivables including \$173,590 in federal grant programs and \$227,324 in funding from New York State. These monies have been billed for and are expected to be received early in fiscal year 2019.

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 ear marked 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.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Net Position
 June 30, 2018 and 2017

	<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:			
Cash		\$ 260,888	617,199
Investments in CUNY investment pool, short-term (notes 4 and 5)		3,941	3,701
Accounts receivable:			
Federal grant programs		173,590	-
Funding from New York State		258,430	31,106
Universal Pre-Kindergarten Services Grant		8,372	8,441
CUNY Compact		97,296	93,443
Due from related parties		36,114	32,159
Other		<u>1,917</u>	<u>2,275</u>
Total accounts receivable		<u>575,719</u>	<u>167,424</u>
Prepaid expenses		4,812	5,990
Investments in CUNY investment pool, long-term (notes 4 and 5)		74,881	70,327
Capital assets, net (notes 2 and 8)		<u>2,527</u>	<u>31,167</u>
Total assets		<u>922,768</u>	<u>895,808</u>
 <u>Liabilities</u> 			
Current liabilities:			
Accounts payable		8,657	7,450
Unearned revenue		-	6,998
Due to Imagine Early Learning Centers, LLC (note 7)		<u>98,971</u>	<u>44,403</u>
Total current liabilities		<u>107,628</u>	<u>58,851</u>
 <u>Net Position</u> 			
Net investment in capital assets (notes 2 and 8)		2,527	31,167
Unrestricted		<u>812,613</u>	<u>805,790</u>
Total net position		<u>\$ 815,140</u>	<u>836,957</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue:		
Federal child care fee subsidies (note 6)	\$ 206,219	216,340
Funding from the State of New York (note 6)	258,430	186,635
Universal Pre-Kindergarten Services Grant	167,436	167,450
Child care fees	180,585	142,225
CUNY Compact	97,296	97,296
Student activity fees	36,114	32,159
Donated space (notes 2 and 9)	<u>412,335</u>	<u>365,050</u>
Total operating revenue	<u>1,358,415</u>	<u>1,207,155</u>
Operating expenses:		
Child care services (note 7)	829,172	790,088
Donated space (notes 2 and 9)	412,335	365,050
Supporting services, management and general	30,845	25,041
Bad debt	85,370	-
Depreciation (note 8)	<u>28,640</u>	<u>52,225</u>
Total operating expenses	<u>1,386,362</u>	<u>1,232,404</u>
Loss from operations	<u>(27,947)</u>	<u>(25,249)</u>
Nonoperating revenue:		
Interest and dividends	563	437
Realized gain on investments	1,144	746
Net change in unrealized gain on investments	3,315	7,081
CUNY campaign	<u>1,108</u>	<u>2,143</u>
Total nonoperating revenue	<u>6,130</u>	<u>10,407</u>
Decrease in net position	(21,817)	(14,842)
Net position at beginning of year	<u>836,957</u>	<u>851,799</u>
Net position at end of year	<u>\$ 815,140</u>	<u>836,957</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Cash Flows
 Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash receipts from:		
Federal child care fee subsidies	\$ 25,631	276,669
Funding from the State of New York	31,106	171,082
Universal Pre-Kindergarten Services Grant	167,505	167,810
Child care fees	180,585	142,225
CUNY Compact	93,443	100,934
Cash payments for:		
Child care services	(774,604)	(825,565)
Other	(81,313)	(22,714)
Net cash provided by (used in) operating activities	<u>(357,647)</u>	<u>10,441</u>
Cash flows from investing activities:		
Interest and dividends	563	437
Income reinvested in CUNY investment pool	(335)	(167)
CUNY Campaign	1,108	2,143
Net cash provided by investing activities	<u>1,336</u>	<u>2,413</u>
Net increase (decrease) in cash	(356,311)	12,854
Cash at beginning of year	<u>617,199</u>	<u>604,345</u>
Cash at end of year	<u>\$ 260,888</u>	<u>617,199</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
Reconciliation of loss from operations to net cash provided by (used in) operating activities:		
Loss from operations	\$ (27,947)	(25,249)
Adjustments to reconcile loss from operations to net cash provided by (used in) operating activities:		
Depreciation	28,640	52,225
Changes in:		
Accounts receivable	(408,295)	10,560
Prepaid expenses	1,178	(1,586)
Accounts payable	1,207	2,970
Unearned revenue	(6,998)	6,998
Due to Imagine Early Learning Centers, LLC	<u>54,568</u>	<u>(35,477)</u>
Net cash provided by (used in) operating activities	<u>\$ (357,647)</u>	<u>10,441</u>
Supplemental schedule of cash flow information:		
Donated space revenue	<u>\$ 412,335</u>	<u>365,050</u>
Donated space expense	<u>\$ 412,335</u>	<u>365,050</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements

June 30, 2018 and 2017

(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

(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, 2018, 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 two years and a cost or value at the time of receipt of \$1,000 or more for computer hardware and \$5,000 or more for all other 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 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 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.

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 10).

(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) 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.

(n) Reclassifications

Reclassifications have been made to certain 2017 balances in order to conform them to the 2018 presentation.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(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, 2018, \$10,888 of the Corporation's bank balance of \$260,888 was exposed to custodial credit risk as it was uninsured and uncollateralized.

(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, 2018, the Corporation's entire investment portfolio balance of \$78,822 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 on Fiscal Affairs of the Board of Trustees of CUNY. Pooled investments include equity and fixed income securities. Investments as of June 30, 2018 and 2017, are comprised of the following:

	<u>2018</u>	<u>2017</u>
Investments in CUNY investment pool, short-term	\$ 3,941	3,701
Investments in CUNY investment pool, long-term	<u>74,881</u>	<u>70,327</u>
	<u>\$ 78,822</u>	<u>74,028</u>

The following table summarizes the activity for financial instruments in 2018 and 2017:

Balance at July 1, 2016	\$ 66,034
Interest and dividends	167
Realized gains	746
Unrealized gains	<u>7,081</u>
Balance at June 30, 2017	74,028
Interest and dividends	335
Realized gains	1,144
Unrealized gains	<u>3,315</u>
Balance at June 30, 2018	<u>\$ 78,822</u>

A summary of investment gain for the years ended June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 335	167
Realized gains	1,144	746
Unrealized gains	<u>3,315</u>	<u>7,081</u>
Total investment gain	<u>\$ 4,794</u>	<u>7,994</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(6) 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, 2018 and 2017 amounted to \$206,219 and \$216,340, respectively. Grant amounts represent tuition subsidies to eligible students and are reported in the statement of revenue, expenses and changes in net position.

In addition, the Corporation was allocated \$258,430 and \$186,635 in the fiscal years ended June 30, 2018 and 2017, respectively, from the State of New York through tax levy appropriations for the provision of child care services at senior and community colleges.

(7) 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, 2018 and 2017, child care services expense totaled \$829,172 and \$790,088, respectively, of which \$98,971 and \$44,403 were payable to Imagine at June 30, 2018 and 2017, 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.

(8) Capital Assets

At June 30, 2018 and 2017, capital assets consisted of the following:

	2018			
	Beginning balance	Additions	Disposals	Ending balance
Equipment	\$ 40,990	-	-	40,990
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	(229,959)	(28,640)	-	(258,599)
Capital assets, net	\$ <u>31,167</u>	(28,640)	-	<u>2,527</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Notes to Financial Statements, Continued

(8) Capital Assets, Continued

	2017			
	Beginning balance	Additions	Disposals	Ending balance
Equipment	\$ 40,990	-	-	40,990
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	(177,734)	(52,225)	-	(229,959)
Capital assets, net	\$ <u>83,392</u>	(52,225)	-	<u>31,167</u>

(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, 2018 and 2017 amounted to \$412,335 and \$365,050, respectively.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Supplemental Information
Schedule of Child Care Services Expenses
Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating expenses:		
Personnel services:		
Executive director	\$ 30,000	47,720
Associate director	96,515	86,130
Head teachers	168,454	223,563
Assistant teachers	291,351	202,250
Employee benefits and payroll fees	<u>150,532</u>	<u>149,173</u>
Total personnel expenses	<u>736,852</u>	<u>708,836</u>
Other than personnel services:		
Management fee	22,000	22,000
Snacks/consumables	4,206	3,765
Staff development	7,415	7,648
Professional fee	6,700	6,698
Liability insurance	8,323	9,143
Classroom materials	7,060	5,554
Meals	26,269	16,868
Program enhancements	4,772	4,950
Family engagement	1,277	-
Maintenance and repairs	1,071	934
Office supplies	1,194	1,476
Miscellaneous	<u>2,033</u>	<u>2,216</u>
Total other than personnel services	<u>92,320</u>	<u>81,252</u>
Total child care services expenses	<u>\$ 829,172</u>	<u>790,088</u>