

THE LEHMAN COLLEGE STUDENT
CHILD CARE CENTER, INC.
Financial Statements and
Supplementary Information
June 30, 2023 and 2022
(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 Audit of the Financial Statements

Opinion

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, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Corporation's financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the net position of The Lehman College Student Child Care Center, Inc. as of June 30, 2023 and 2022 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Required Supplementary Information

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

EFPR Group, CPAs, PLLC

Williamsville, New York
September 29, 2023

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis

June 30, 2023 and 2022

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, 2023 and 2022, and changes in its net position for the years 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 \$1,441,088, a decrease of \$81,600 or 5% from the previous fiscal year.
- Operating expenses totaled \$1,423,467, an increase of \$103,987 or 8% from the previous fiscal year.
- Total assets equaled \$1,559,370, an increase of \$229,912 or 17% from the previous fiscal year.
- Total net position equaled \$1,241,078, an increase of \$23,946 or 2% from the previous fiscal year.

Financial Position

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

Statements of Net Position

The following summarizes the Corporation's assets, liabilities and net position as of June 30, 2023 and 2022, under the accrual basis of accounting:

	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets	\$ <u>1,559,370</u>	<u>1,329,458</u>	<u>229,912</u>	17%
Liabilities	<u>318,292</u>	<u>112,326</u>	<u>205,966</u>	183%
Net position:				
Net investment in capital assets	-	2,003	(2,003)	(100%)
Unrestricted	<u>1,241,078</u>	<u>1,215,129</u>	<u>25,949</u>	2%
Total net position	\$ <u>1,241,078</u>	<u>1,217,132</u>	<u>23,946</u>	2%

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

At June 30, 2023, the Corporation's total net position was \$1,241,078 compared to \$1,217,132 at June 30, 2022. This represents an increase of \$23,946, or 2%, from the previous fiscal year.

At June 30, 2023, the Corporation's total liabilities increased by \$205,966 or 183%. This is largely due to the timing of payments due to Imagine Early Learning Centers, LLC at June 30, 2023 compared to the previous fiscal year.

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

The following is a summary of the Corporation's assets, liabilities and net position as of June 30, 2022 and 2021, under the accrual basis of accounting presented for comparison purposes:

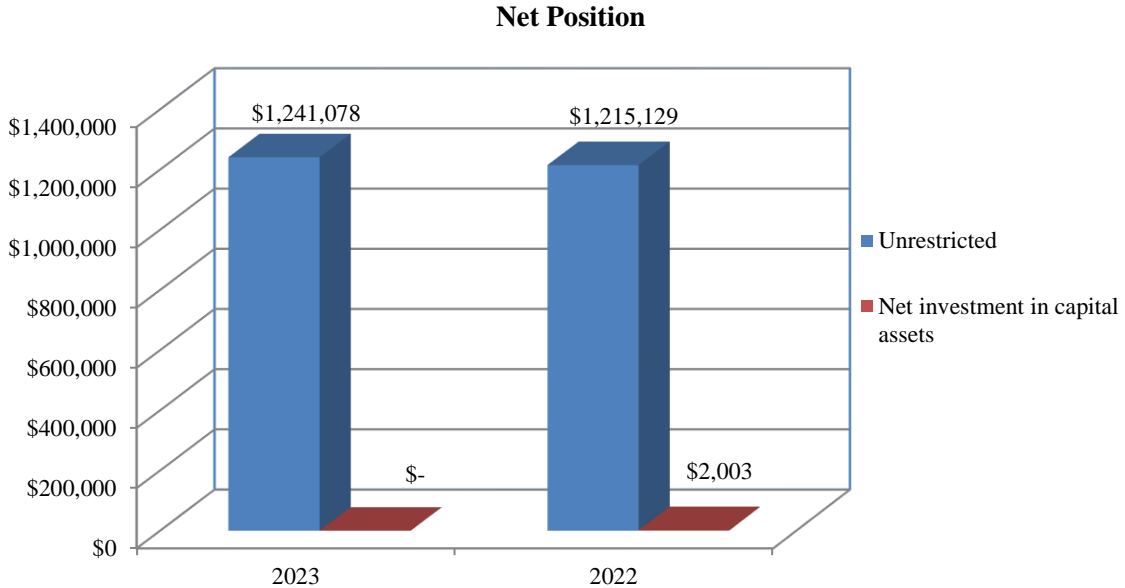
	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets	\$ <u>1,329,458</u>	<u>1,258,632</u>	<u>70,826</u>	6%
Liabilities	<u>112,326</u>	<u>240,319</u>	<u>(127,993)</u>	(53%)
Net position:				
Net investment in capital assets	2,003	4,004	(2,001)	(50%)
Unrestricted	<u>1,215,129</u>	<u>1,014,309</u>	<u>200,820</u>	20%
Total net position	\$ <u><u>1,217,132</u></u>	<u><u>1,018,313</u></u>	<u><u>198,819</u></u>	20%

At June 30, 2022, the Corporation's total net position was \$1,217,132 compared to \$1,018,313 at June 30, 2021. This represents an increase of \$198,819 or 20%, from the previous fiscal year.

At June 30, 2022, the Corporation's total liabilities decreased by \$127,993 or 53%. This is largely due to a \$127,424 decrease in accounts payable due to Imagine Early Learning Centers, LLC at June 30, 2022 compared to the previous fiscal year.

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

The following illustrates the Corporation's net position at June 30, 2023 and 2022 by category:



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 for the years ended June 30, 2023 and 2022, are as follows:

Revenue

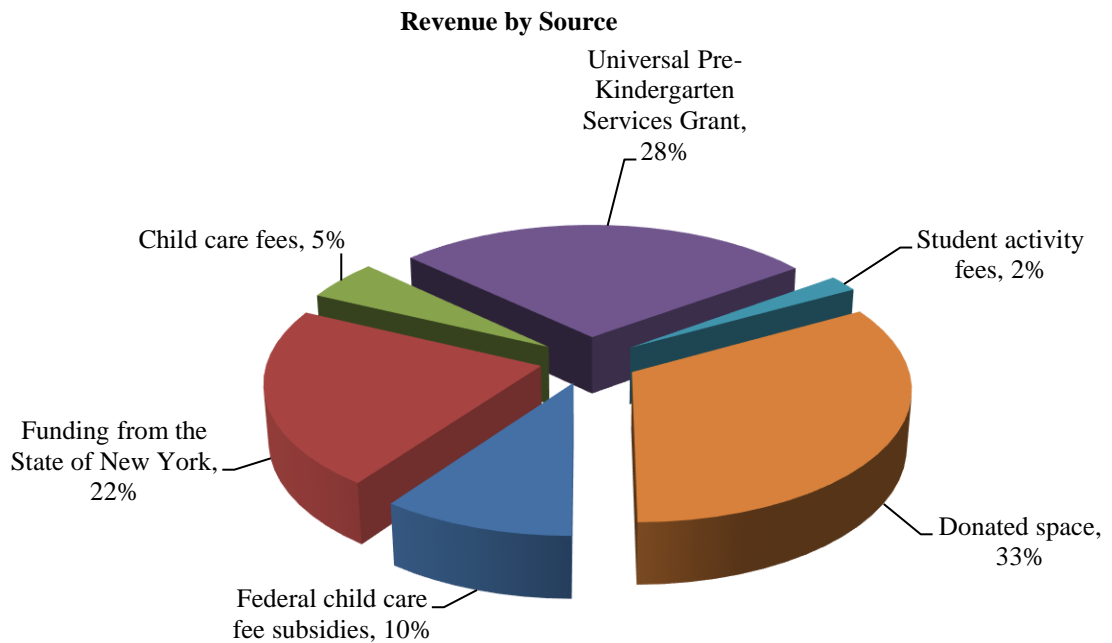
	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Federal child care fee subsidies	\$ 149,737	200,197	(50,460)	(25%)
Funding from the State of New York Universal Pre-Kindergarten Services Grant	308,100	391,101	(83,001)	(21%)
Child care fees	401,055	341,796	59,259	17%
Student activity fees	76,537	45,599	30,938	68%
Donated space	34,139	37,412	(3,273)	(9%)
Other income	471,240	506,583	(35,343)	(7%)
	<u>280</u>	<u>-</u>	<u>280</u>	100%
Total operating revenue	1,441,088	1,522,688	(81,600)	(5%)
Nonoperating revenue	<u>6,325</u>	<u>(4,389)</u>	<u>10,714</u>	244%
Total revenue	\$ <u>1,447,413</u>	<u>1,518,299</u>	<u>(70,886)</u>	(5%)

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

The Corporation's total revenue for the year ended June 30, 2023, was \$1,447,413, a decrease of \$70,886 or 5% from the previous year. This decrease was largely due to a reduction in Federal funding from the loss of the CCampus grant, and a decrease in NYS funding due to the reduction in Stabilization grant monies. Partially offsetting these declines were increases in other state and Federal revenues and Universal Pre-Kindergarten (UPK) due to increased enrollment.

The following illustrates the Corporation's revenue, by source, for the year ended June 30, 2023:



THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis, Continued

Presented for comparative purposes are the major components of revenue for the years ended June 30, 2022 and 2021.

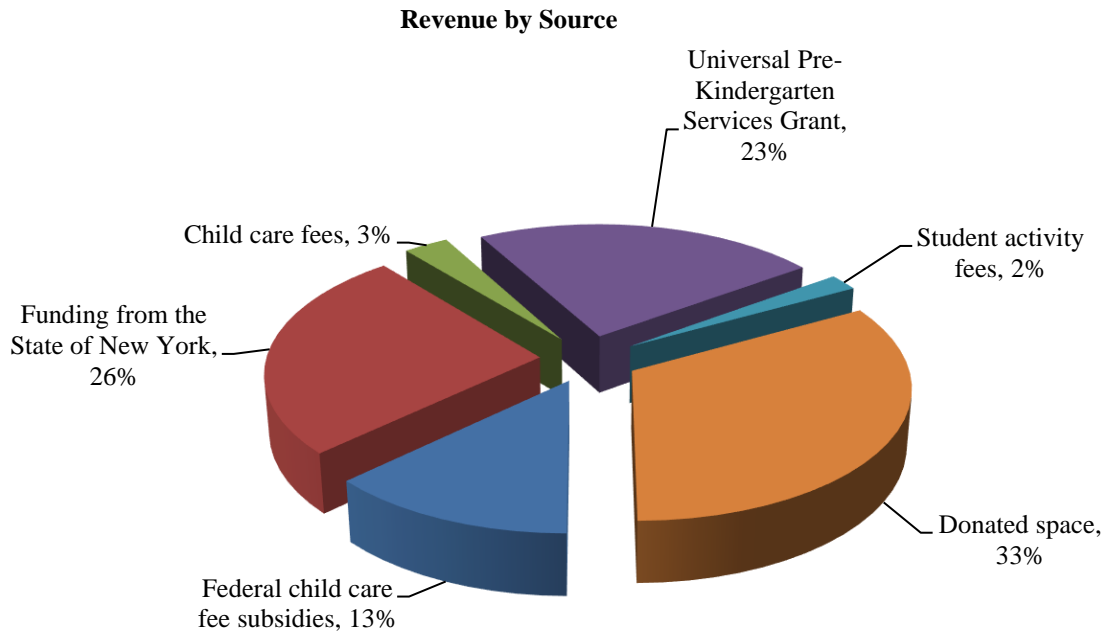
Revenue

	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Federal child care fee subsidies	\$ 200,197	192,147	8,050	4%
Funding from the State of New York Universal Pre-Kindergarten Services Grant	391,101	222,478	168,623	76%
Child care fees	341,796	170,296	171,500	101%
Student activity fees	45,599	61,288	(15,689)	(26%)
Donated space	37,412	39,532	(2,120)	(5%)
Other income	506,583	447,678	58,905	(13%)
	<u>-</u>	<u>16,796</u>	<u>(16,796)</u>	<u>(100%)</u>
Total operating revenue	1,522,688	1,150,215	372,473	(32%)
Nonoperating revenue, net of bad debt expenses	<u>(4,389)</u>	<u>7,212</u>	<u>(11,601)</u>	<u>(161%)</u>
 Total revenue	 \$ <u>1,518,299</u>	 <u>1,157,427</u>	 <u>360,872</u>	 <u>(31%)</u>

The Corporation's total revenue for the year ended June 30, 2022 was \$1,518,299, an increase of \$360,872 or 31% from the previous year. This increase was largely due to increases in funding from the State of New York with the receipt of a one-time Child Care Stabilization Grant to help offset additional costs and/or revenue losses as a result of the COVID-19 pandemic and increases in the Universal Pre-Kindergarten Services Grant with the expansion of the program to UPK-3K. Declines were noted in student activity fees and child care fees due to lower student enrollment.

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

Presented for comparative purposes are the Corporation's revenue, by source, for the year ended June 30, 2022:



The major components of expenses for the years ended June 30, 2023 and 2022, are as follows:

Expenses

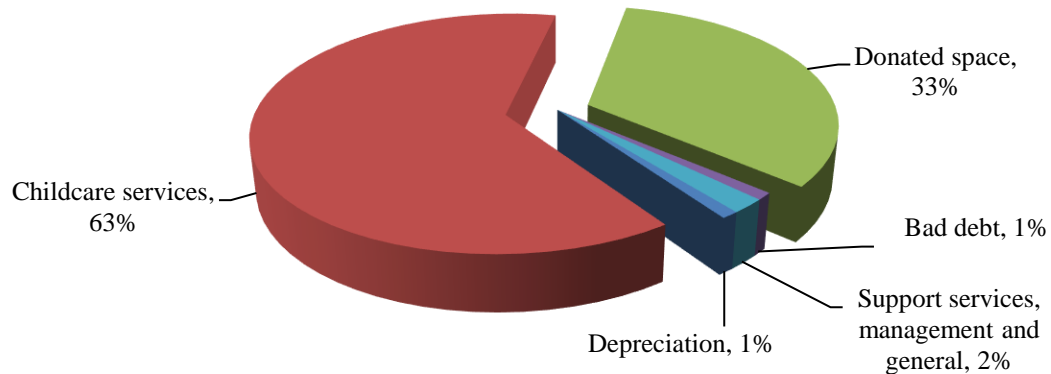
	<u>2023</u>	<u>2022</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Child care services	\$ 903,798	782,745	121,053	15%
Donated space	471,240	506,583	(35,343)	(7%)
Support services, management and general	32,809	28,151	4,658	(17%)
Depreciation	2,003	2,001	2	1%
Bad debt	<u>13,617</u>	<u>-</u>	<u>13,617</u>	100%
Total operating expenses	\$ <u>1,423,467</u>	<u>1,319,480</u>	<u>103,987</u>	8%

Total operating expenses for the year ended June 30, 2023, were \$1,423,467, an increase of \$103,987 or 8% from the previous fiscal year. The major component of this was an increase in childcare services including those related to UPK 3 and 4, due to increases in student enrollment.

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

The following illustrates the Corporation's expenses, by category, for the year ended June 30, 2023:

Expenses by Category



Presented for comparative purposes are the Corporation's expenses for the years ended June 30, 2022 and June 30, 2021.

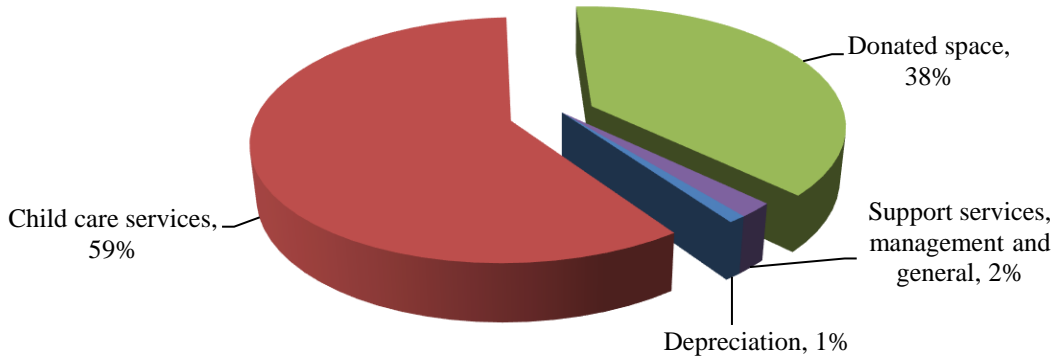
	<u>2022</u>	<u>2021</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Child care services	\$ 782,745	755,320	27,425	4%
Donated space	506,583	447,678	58,905	13%
Support services, management and general	28,151	25,638	2,513	10%
Depreciation	<u>2,001</u>	<u>2,001</u>	-	-
Total operating expenses	\$ <u>1,319,480</u>	<u>1,230,637</u>	<u>88,843</u>	7%

Total operating expenses for the year ended June 30, 2022 were \$1,319,480, an increase of \$88,843 or 7% from the previous fiscal year. The major components of this was an increase in child care services primarily due to increased personnel costs and the market value of donated space provided to the Corporation. During the pandemic, the Center was required to keep mandatory staffing levels in each of its classrooms regardless of enrollment.

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

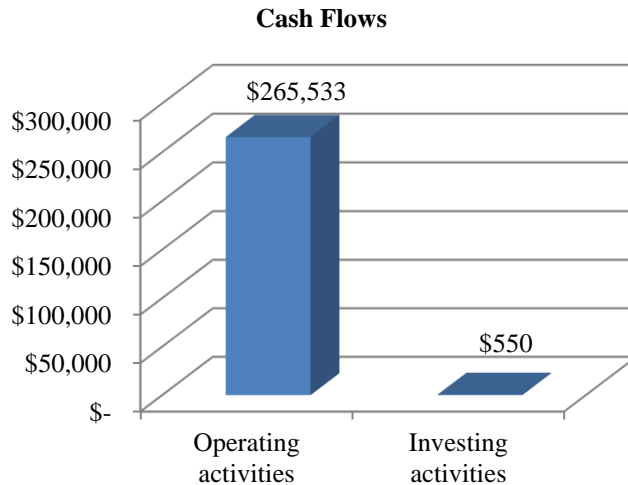
The following are the Corporation's expenses, by category, for the year ended June 30, 2022:

Expenses by Category



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, 2023:



The Corporation's total cash on June 30, 2023, was \$1,071,026, an increase of \$266,083 from the previous fiscal year. Cash provided in operation activities was \$265,533.

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

Economic Factors That May Affect the Future

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

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Statements of Net Position
June 30, 2023 and 2022

	<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:			
Cash		\$ 1,071,026	804,943
Investments in CUNY investment pool, short-term (notes 4 and 5)		6,183	3,891
Accounts receivable:			
Federal grant programs		105,957	94,015
Funding from New York State		255,000	241,765
Universal Pre-Kindergarten Services Grant		18,919	83,288
Due from related parties		<u>280</u>	<u>1,279</u>
Total accounts receivable		<u>380,156</u>	<u>420,347</u>
Prepaid expenses		<u>5,142</u>	<u>4,894</u>
Total current assets		1,462,507	1,234,075
Investments in CUNY investment pool, long-term (notes 4 and 5)		96,863	93,380
Capital assets, net (notes 2 and 6)		<u>-</u>	<u>2,003</u>
Total assets		<u>1,559,370</u>	<u>1,329,458</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable		5,275	2,400
Due to Imagine Early Learning Centers, LLC (note 8)		<u>313,017</u>	<u>109,926</u>
Total liabilities		<u>318,292</u>	<u>112,326</u>
<u>Net Position</u>			
Net investment in capital assets (notes 2 and 6)		-	2,003
Unrestricted		<u>1,241,078</u>	<u>1,215,129</u>
Total net position		<u>\$ 1,241,078</u>	<u>1,217,132</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Federal child care fee subsidies (note 7)	\$ 149,737	200,197
Funding from the State of New York (note 7)	308,100	391,101
Universal Pre-Kindergarten Services Grant	401,055	341,796
Child care fees	76,537	45,599
Student activity fees	34,139	37,412
Donated space (notes 2 and 9)	471,240	506,583
Other income	280	-
	<u>1,441,088</u>	<u>1,522,688</u>
Total operating revenue		
Operating expenses:		
Child care services (note 8)	903,798	782,745
Donated space (notes 2 and 9)	471,240	506,583
Supporting services, management and general	32,809	28,151
Depreciation (note 6)	2,003	2,001
Bad debt	13,617	-
	<u>1,423,467</u>	<u>1,319,480</u>
Total operating expenses		
Income from operations	<u>17,621</u>	<u>203,208</u>
Nonoperating revenue (expenses):		
Interest and dividends	1,975	1,566
Realized gain on investments	1,552	2,747
Net change in unrealized gain (loss) on investments	2,798	(8,702)
	<u>6,325</u>	<u>(4,389)</u>
Total nonoperating revenue (expenses)		
Change in net position	23,946	198,819
Net position at beginning of year	<u>1,217,132</u>	<u>1,018,313</u>
Net position at end of year	<u>\$ 1,241,078</u>	<u>1,217,132</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from:		
Federal child care fee subsidies	\$ 137,796	207,053
Funding from the State of New York	294,865	371,814
Universal Pre-Kindergarten Services Grant	451,807	262,888
Child care fees	76,537	45,599
Cash payments for:		
Child care services	(700,707)	(910,169)
Other	5,235	8,359
Net cash provided by (used in) operating activities	<u>265,533</u>	<u>(14,456)</u>
Cash flows from investing activities:		
Interest and dividends	1,975	1,566
Income reinvested in CUNY investment pool	<u>(1,425)</u>	<u>(1,086)</u>
Net cash provided by investing activities	<u>550</u>	<u>480</u>
Net change in cash	266,083	(13,976)
Cash at beginning of year	<u>804,943</u>	<u>818,919</u>
Cash at end of year	<u>\$ 1,071,026</u>	<u>804,943</u>
Reconciliation of income from operations to net cash provided by (used in) operating activities:		
Income from operations	\$ 17,621	203,208
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:		
Depreciation	2,003	2,001
Bad debt	13,617	-
Changes in:		
Accounts receivable	26,574	(91,339)
Prepaid expenses	(248)	(333)
Accounts payable	2,875	(569)
Due to Imagine Early Learning Centers, LLC	<u>203,091</u>	<u>(127,424)</u>
Net cash provided by (used in) operating activities	<u>\$ 265,533</u>	<u>(14,456)</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(1) Nature of Organization

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

The Corporation was organized exclusively for charitable, educational and scientific purposes and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

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

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Corporation's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and applicable Governmental Accounting Standards Board (GASB) pronouncements.

For financial reporting purposes, the Corporation is considered to be a special-purpose entity engaged only in business-type activities. GASB defines business-type activities as activities financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP, as prescribed by GASB. For financial reporting purposes, the Corporation is also considered to be a discretely presented component unit of the University, as defined by GASB.

(b) Net Position

The Corporation's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the Corporation to maintain them in perpetuity.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(b) Net Position, Continued

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

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

At June 30, 2023 and 2022, the Corporation had no restricted net position.

(c) Cash

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

(d) Concentration of Credit Risk

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

(e) Accounts Receivable

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

(f) Investments

The Corporation has investments held in CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee). Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. Realized and unrealized gains and losses are included in the statements of revenue, expenses and changes in net position.

(g) Capital Assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of contribution, if donated. In accordance with the Corporation's capital asset policy, capital assets are defined as any asset with a useful life of at least five years and a cost or value at the time of receipt of \$5,000 or more for all computer, equipment, furniture and fixtures and capital improvements. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. The estimated useful life of computer, equipment, furniture and fixtures and capital improvements is five years and ten years, respectively.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(h) Revenue Recognition

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

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

(i) Donated Space

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

(j) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(l) Subsequent Events

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

(m) 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.

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, 2023, \$821,026 of the Corporation's bank balance of \$1,071,026 was exposed to custodial credit risk. On June 30, 2022, \$616,076 of the Corporation's bank balance of \$866,076 was exposed to custodial credit risk.

(4) Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transactions, the Corporation will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. On June 30, 2023, and 2022, the Corporation's entire investment portfolio balance of \$103,046 and \$97,271, respectively, was exposed to custodial credit risk, as it was uninsured and uncollateralized.

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

The Corporation's investments in the investment pool are comprised of assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Investments in CUNY investment pool, short-term	\$ 6,183	3,891
Investments in CUNY investment pool, long-term	<u>96,863</u>	<u>93,380</u>
	\$ <u>103,046</u>	<u>97,271</u>

The following table summarizes the activity of investments during the years ended June 30, 2023 and 2022:

Balance at June 30, 2021	\$ 102,140
Interest and dividends	1,086
Realized gains	2,747
Unrealized losses	<u>(8,702)</u>
Balance at June 30, 2022	97,271
Interest and dividends	1,425
Realized gains	1,552
Unrealized gains	<u>2,798</u>
Balance at June 30, 2023	\$ <u>103,046</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

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

A summary of investment income (loss) from the CUNY investment pool for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,425	1,086
Realized gains	1,552	2,747
Unrealized gains (losses)	<u>2,798</u>	<u>(8,702)</u>
Total investment income (loss)	\$ <u>5,775</u>	<u>(4,869)</u>

(6) Capital Assets

At June 30, 2023 and 2022, capital assets consisted of the following:

	<u>2023</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 50,998	-	-	50,998
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(269,131)</u>	<u>(2,003)</u>	<u>-</u>	<u>(271,134)</u>
Capital assets, net	\$ <u>2,003</u>	<u>(2,003)</u>	<u>-</u>	<u>-</u>
	<u>2022</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 50,998	-	-	50,998
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(267,130)</u>	<u>(2,001)</u>	<u>-</u>	<u>(269,131)</u>
Capital assets, net	\$ <u>4,004</u>	<u>(2,001)</u>	<u>-</u>	<u>2,003</u>

(7) Federal and State Funding

CUNY is eligible to receive a portion of Child Care Federal Funds for the purpose of increasing the availability, affordability and quality of childcare. The grant is intended to provide funding to all functions and support services that are traditionally associated with childcare programs and to facilitate the expansion of childcare to student parents. The Corporation's allocations of grant funds for the years ended June 30, 2023 and 2022 amounted to \$149,737 and \$200,197, respectively. Grant amounts represent tuition subsidies to eligible students and are reported in the statements of revenue, expenses and changes in net position.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(7) Federal and State Funding, Continued

In addition, the Corporation was allocated \$255,000 and \$241,801 during the years ended June 30, 2023, and 2022, respectively, from the State of New York through tax levy appropriations for the provision of childcare services at senior and community colleges. Funding in the amounts of \$53,100 and \$149,300 was received during the year ended June 30, 2023, and 2022, respectively, from the Child Care Stabilization Grant to reimburse the Child Care Center for losses and/or additional expenses related to the COVID-19 pandemic. Total state funding for the years ended June 30, 2023 and 2022, was \$308,100 and \$391,101, respectively.

(8) Child Care Services

The Corporation has engaged Imagine Early Learning Centers, LLC (Imagine) to provide childcare services to children of students at the College through June 30, 2023. For the years ended June 30, 2023, and 2022, childcare services expenses totaled \$903,798 and \$782,745, respectively, of which \$313,017 and \$109,926 was payable to Imagine on June 30, 2023, and 2022, respectively.

On June 29, 2017, the Corporation's contract with Imagine was amended to incorporate the receipt of earmarked student activity fee revenue for childcare purposes. This earmark was approved by the Board of Trustees on June 29, 2016 and was effective with the Fall 2016 semester. That contract was renewed again on May 14, 2019, and subsequently on March 31, 2020, June 27, 2022 and July 1, 2023 and the contract is effective through June 30, 2024.

(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, 2023 and 2022 amounted to \$471,240 and \$506,583, respectively.

(10) Accounting Standards Issued But Not Yet Implemented

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

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 15, 2023.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Supplemental Information
Schedule of Child Care Services Expenses
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating expenses:		
Personnel services:		
Executive director	\$ 30,000	30,000
Director	119,410	115,000
Head teachers	228,516	217,015
Assistance teachers	238,836	193,689
Employee benefits and payroll fees	159,421	142,210
Stabilization #2	43,988	-
Total personnel expenses	<u>820,171</u>	<u>697,914</u>
Other than personnel services:		
Management fee	22,000	22,000
Consumables	3,049	2,820
Meals/snacks	20,559	16,740
Classroom materials	2,802	10,221
Office supplies	1,189	997
Program enhancements	6,675	9,410
Staff development	5,646	4,798
Maintenance and repairs	3,003	2,987
Liability insurance	5,880	7,084
Professional fee	6,785	6,700
Family engagement	2,730	810
Advertising, licenses and permits	3,309	-
Miscellaneous	-	264
Total other than personnel services	<u>83,627</u>	<u>84,831</u>
Total child care services expenses	<u>\$ 903,798</u>	<u>782,745</u>