

THE LEHMAN COLLEGE STUDENT
CHILD CARE CENTER, INC.
Financial Statements and
Supplementary Information
June 30, 2019 and 2018
(With Independent Auditors' Report Thereon)

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 7
Financial Statements:	
Statements of Net Position	8
Statements of Revenue, Expenses and Changes in Net Position	9
Statements of Cash Flows	10 - 11
Notes to Financial Statements	12 - 17
Supplementary Information - Schedule of Child Care Services Expenses	18

* * * * *

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, 2019 and 2018, 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, 2019 and 2018, 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, 2019

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Management's Discussion and Analysis

June 30, 2019

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, 2019, 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 \$1,546,032, an increase of \$187,617 or 13.8% from the previous fiscal year.
- Operating expenses totaled \$1,339,577, a decrease of \$46,785 or 3.4% from the previous fiscal year.
- Total assets equaled \$1,228,334, an increase of \$305,566 or 33% from the previous fiscal year.
- Total net position equaled \$1,026,628, increasing 26% or \$211,488 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, 2019 and 2018, under the accrual basis of accounting:

	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percent change</u>
Total assets	\$ <u>1,228,334</u>	<u>922,768</u>	<u>305,566</u>	<u>33%</u>
Total liabilities	<u>201,706</u>	<u>107,628</u>	<u>94,078</u>	<u>87%</u>
Net position:				
Net investment in capital assets	8,006	2,527	5,479	217%
Unrestricted	<u>1,018,621</u>	<u>812,613</u>	<u>206,008</u>	<u>25%</u>
Total net position	\$ <u>1,026,628</u>	<u>815,140</u>	<u>211,488</u>	<u>26%</u>

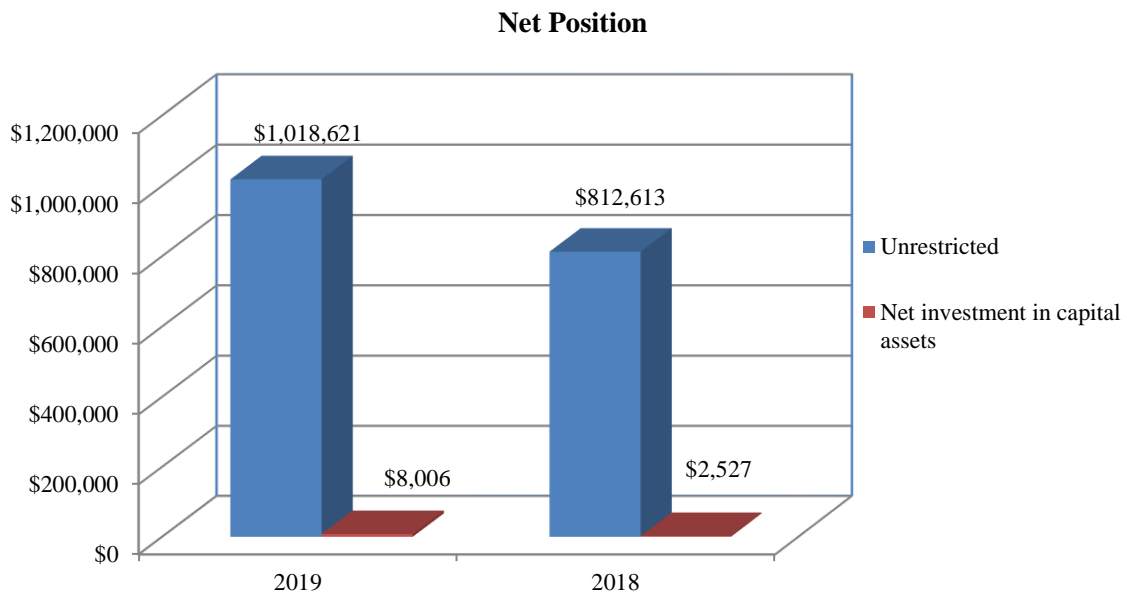
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Management's Discussion and Analysis, Continued

At June 30, 2019, the Corporation's total net position was \$1,026,628 compared to \$815,140 at June 30, 2018. This represents an increase of \$211,488 or 26%, from to the previous fiscal year.

At June 30, 2019, the Corporation's total liabilities increased by \$94,078 or 87%. This is largely due to a \$88,398 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, 2019 and 2018 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

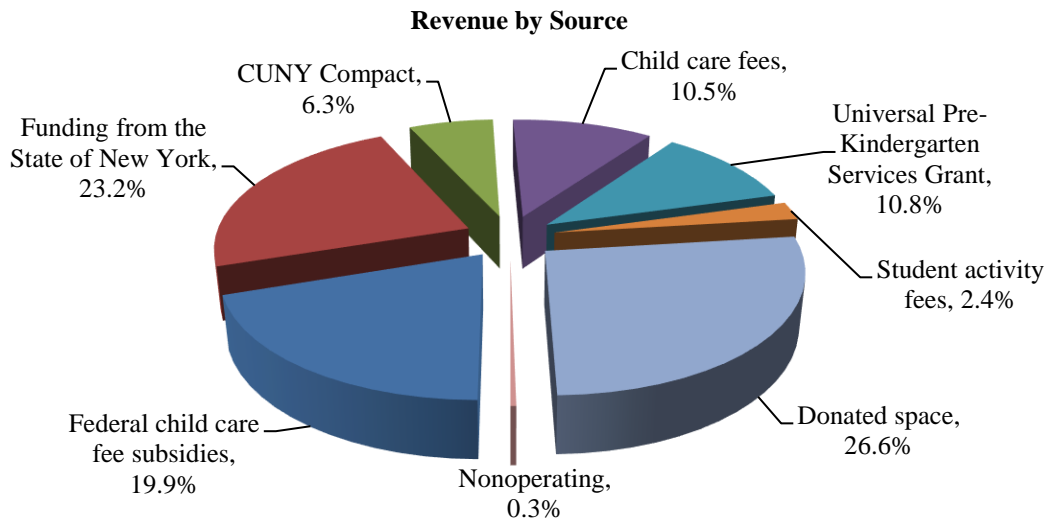
The statements of revenue, expenses and changes in net position present the operating results of the Corporation, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2019 and 2018, are as follows:

Revenue

	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Federal child care fee subsidies	\$ 308,663	206,219	102,444	49.7%
Funding from the State of New York Universal Pre-Kindergarten Services Grant	359,924	258,430	101,494	39.3%
Child care fees	167,450	167,436	14	0.1%
CUNY Compact	162,994	180,585	(17,591)	(9.7%)
Student activity fees	97,296	97,296	-	-
Donated space	37,370	36,114	1,256	3.5%
	<u>412,335</u>	<u>412,335</u>	<u>-</u>	<u>-</u>
Total operating revenue	1,546,032	1,358,415	187,617	13.8%
Nonoperating revenue	<u>5,033</u>	<u>6,130</u>	<u>(1,097)</u>	<u>(17.9%)</u>
Total revenue	\$ <u>1,551,065</u>	<u>1,364,545</u>	<u>186,520</u>	<u>13.7%</u>

The Corporation’s total revenue for the year ended June 30, 2019 amounted to \$1,551,065, an increase of \$186,520 or 13.7%, compared to the previous year. The major components of this was an increase in the federal child care fee subsidies of \$102,444, funding from New York State of \$101,494, offset by a reduction in child care fees of \$17,591.

The following illustrates the Corporation’s revenue, by source, for the year ended June 30, 2019:



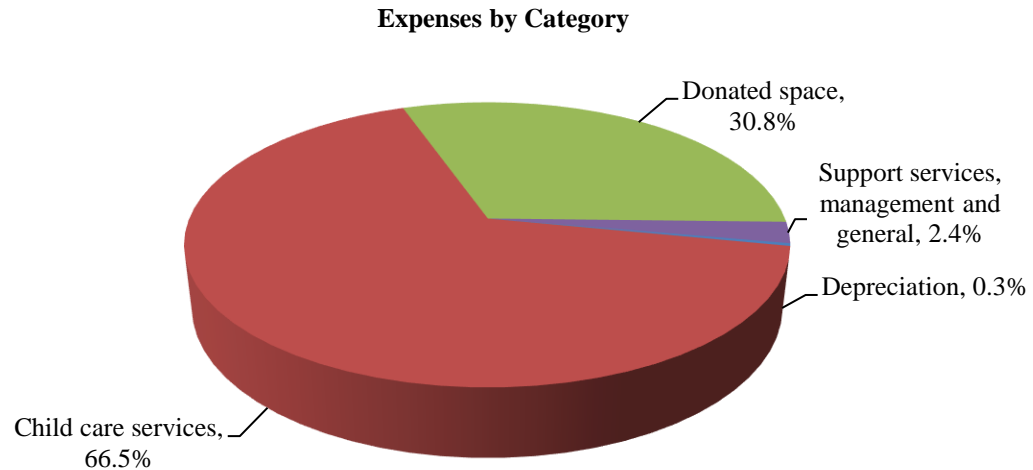
THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Management's Discussion and Analysis, Continued

Expenses

	<u>2019</u>	<u>2018</u>	<u>Dollar change</u>	<u>Percentage change</u>
Operating expenses:				
Child care services	\$ 890,590	829,172	61,418	7.4%
Donated space	412,335	412,335	-	-
Support services, management and general	32,123	30,845	1,278	4.1%
Bad debt	-	85,370	(85,370)	(100.0%)
Depreciation	<u>4,529</u>	<u>28,640</u>	<u>(24,111)</u>	<u>(84.2%)</u>
Total operating expenses	\$ <u>1,339,577</u>	<u>1,386,362</u>	<u>(46,785)</u>	<u>(3.4%)</u>

Total expenses for the year ended June 30, 2019 were \$1,339,577, a decrease of \$46,785 or 3.4% from the previous fiscal year. The major components of this was an increase in child care services expenses due to increased personnel costs, offset by a reduction in bad debt expense for a one time expense in the prior fiscal year and a reduction in depreciation expenses due to the full depreciation of existing items.

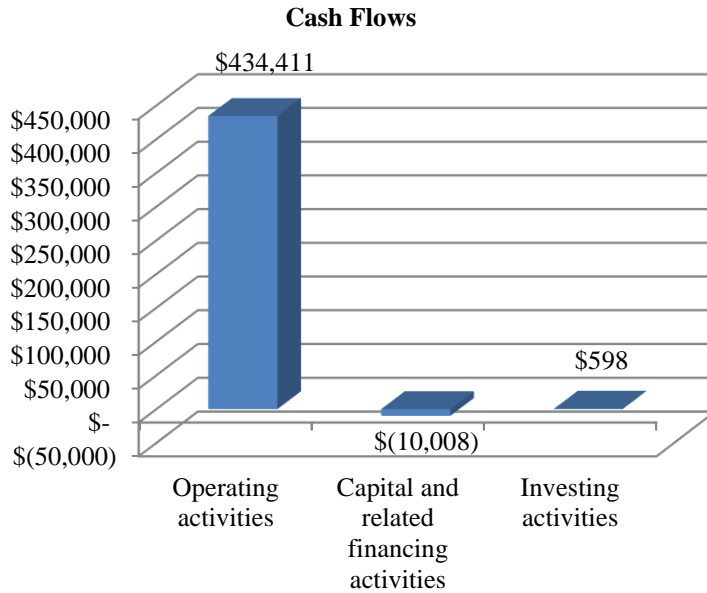
The following illustrates the Corporation's expenses, by category, for the year ended June 30, 2019:



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, 2019:



The Corporation's \$425,001 increase in cash on hand at June 30, 2019 is largely attributable to an increase in federal and state funding, largely due to the receipt of outstanding receivables from the prior fiscal year.

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 earmarked 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, 2019 and 2018

	<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets:			
Cash		\$ 685,889	260,888
Investments in CUNY investment pool, short-term (notes 4 and 5)		4,163	3,941
Accounts receivable:			
Federal grant programs		270,842	173,590
Funding from New York State		144,566	258,430
Universal Pre-Kindergarten Services Grant		16,964	8,372
CUNY Compact		12,718	97,296
Due from related parties		322	36,114
Other		-	1,917
Total accounts receivable		<u>445,412</u>	<u>575,719</u>
Prepaid expenses		5,770	4,812
Investments in CUNY investment pool, long-term (notes 4 and 5)		79,094	74,881
Capital assets, net (notes 2 and 8)		<u>8,006</u>	<u>2,527</u>
Total assets		<u>1,228,334</u>	<u>922,768</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable		14,337	8,657
Due to Imagine Early Learning Centers, LLC (note 7)		<u>187,369</u>	<u>98,971</u>
Total current liabilities		<u>201,706</u>	<u>107,628</u>
<u>Net Position</u>			
Net investment in capital assets (notes 2 and 8)		8,006	2,527
Unrestricted		<u>1,018,622</u>	<u>812,613</u>
Total net position		<u>\$ 1,026,628</u>	<u>815,140</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue:		
Federal child care fee subsidies (note 6)	\$ 308,663	206,219
Funding from the State of New York (note 6)	359,924	258,430
Universal Pre-Kindergarten Services Grant	167,450	167,436
Child care fees	162,994	180,585
CUNY Compact	97,296	97,296
Student activity fees	37,370	36,114
Donated space (notes 2 and 9)	<u>412,335</u>	<u>412,335</u>
Total operating revenue	<u>1,546,032</u>	<u>1,358,415</u>
Operating expenses:		
Child care services (note 7)	890,590	829,172
Donated space (notes 2 and 9)	412,335	412,335
Supporting services, management and general	32,123	30,845
Bad debt	-	85,370
Depreciation (note 8)	<u>4,529</u>	<u>28,640</u>
Total operating expenses	<u>1,339,577</u>	<u>1,386,362</u>
Income (loss) from operations	<u>206,455</u>	<u>(27,947)</u>
Nonoperating revenue:		
Interest and dividends	1,462	563
Realized gain on investments	12,605	1,144
Net change in unrealized gain (loss) on investments	(9,358)	3,315
CUNY campaign	<u>324</u>	<u>1,108</u>
Total nonoperating revenue	<u>5,033</u>	<u>6,130</u>
Change in net position	211,488	(21,817)
Net position at beginning of year	<u>815,140</u>	<u>836,957</u>
Net position at end of year	<u>\$ 1,026,628</u>	<u>815,140</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
 Statements of Cash Flows
 Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash receipts from:		
Federal child care fee subsidies	\$ 211,411	25,631
Funding from the State of New York	473,788	31,106
Universal Pre-Kindergarten Services Grant	158,858	167,505
Child care fees	238,073	180,585
CUNY Compact	181,874	93,443
Cash payments for:		
Child care services	(802,192)	(774,604)
Other	<u>(27,401)</u>	<u>(81,313)</u>
Net cash provided by (used in) operating activities	<u>434,411</u>	<u>(357,647)</u>
Cash flows from capital and related financing activities - purchase of capital assets	<u>(10,008)</u>	<u>-</u>
Cash flows from investing activities:		
Interest and dividends	1,462	563
Income reinvested in CUNY investment pool	(1,188)	(335)
CUNY Campaign	<u>324</u>	<u>1,108</u>
Net cash provided by investing activities	<u>598</u>	<u>1,336</u>
Net change in cash	425,001	(356,311)
Cash at beginning of year	<u>260,888</u>	<u>617,199</u>
Cash at end of year	<u>\$ 685,889</u>	<u>260,888</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2019</u>	<u>2018</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ 206,455	(27,947)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	4,529	28,640
Changes in:		
Accounts receivable	130,307	(408,295)
Prepaid expenses	(958)	1,178
Accounts payable	5,680	1,207
Unearned revenue	-	(6,998)
Due to Imagine Early Learning Centers, LLC	<u>88,398</u>	<u>54,568</u>
Net cash provided by (used in) operating activities	<u>\$ 434,411</u>	<u>(357,647)</u>
Supplemental schedule of cash flow information:		
Donated space revenue	<u>\$ 412,335</u>	<u>412,335</u>
Donated space expense	<u>\$ 412,335</u>	<u>412,335</u>

See accompanying notes to financial statements.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements

June 30, 2019 and 2018

(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, 2019, 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 childcare 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 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, 2019, \$436,014 of the Corporation's bank balance of \$686,014 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, 2019, the Corporation's entire investment portfolio balance of \$83,257 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, 2019 and 2018, are comprised of the following:

	<u>2019</u>	<u>2018</u>
Investments in CUNY investment pool, short-term	\$ 4,163	3,941
Investments in CUNY investment pool, long-term	<u>79,094</u>	<u>74,881</u>
	\$ <u>83,257</u>	<u>78,822</u>

The following table summarizes the activity for financial instruments for the years ended June 30, 2019 and 2018:

Balance at July 1, 2017	\$ 74,028
Interest and dividends	335
Realized gains	1,144
Unrealized gains	<u>3,315</u>
Balance at June 30, 2018	78,822
Interest and dividends	1,188
Realized gains	12,605
Unrealized loss	<u>(9,358)</u>
Balance at June 30, 2019	\$ <u>83,257</u>

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

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

A summary of investment gain for the years ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,188	335
Realized gains	12,605	1,144
Unrealized gain (loss)	<u>(9,358)</u>	<u>3,315</u>
Total investment gain	\$ <u>4,435</u>	<u>4,794</u>

(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 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, 2019 and 2018 amounted to \$308,663 and \$206,219, respectively. Grant amounts represent tuition subsidies to eligible students and are reported in the statements of revenue, expenses and changes in net position.

In addition, the Corporation was allocated \$359,924 and \$258,430 in the years ended June 30, 2019 and 2018, respectively, from the State of New York through tax levy appropriations for the provision of childcare services at senior and community colleges.

(7) 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, 2019. For the years ended June 30, 2019 and 2018, childcare services expense totaled \$890,589 and \$829,172, respectively, of which \$187,369 and \$98,971 was payable to Imagine at June 30, 2019 and 2018, 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.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.

Notes to Financial Statements, Continued

(8) Capital Assets

At June 30, 2019 and 2018, capital assets consisted of the following:

	<u>2019</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 40,990	10,008	-	50,998
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(258,599)</u>	<u>(4,529)</u>	<u>-</u>	<u>(263,128)</u>
Capital assets, net	\$ <u>2,527</u>	<u>5,479</u>	<u>-</u>	<u>8,006</u>
	<u>2018</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 40,990	-	-	40,990
Furniture and fixtures	220,136	-	-	220,136
Less accumulated depreciation	<u>(229,959)</u>	<u>(28,640)</u>	<u>-</u>	<u>(258,599)</u>
Capital assets, net	\$ <u>31,167</u>	<u>(28,640)</u>	<u>-</u>	<u>2,527</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, 2019 and 2018 amounted to \$412,335.

THE LEHMAN COLLEGE STUDENT CHILD CARE CENTER, INC.
Supplemental Information
Schedule of Child Care Services Expenses
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating expenses:		
Personnel services:		
Executive director	\$ 30,651	30,000
Associate director	104,923	96,515
Head teachers	213,184	168,454
Assistant teachers	280,688	291,351
Employee benefits and payroll fees	<u>161,258</u>	<u>150,532</u>
Total personnel expenses	<u>790,704</u>	<u>736,852</u>
Other than personnel services:		
Management fee	22,000	22,000
Snacks/consumables	3,643	4,206
Staff development	9,889	7,415
Professional fee	6,700	6,700
Liability insurance	7,977	8,323
Classroom materials	7,626	7,060
Meals	27,895	26,269
Program enhancements	4,614	4,772
Family engagement	1,983	1,277
Maintenance and repairs	1,490	1,071
Office supplies	3,399	1,194
Miscellaneous	<u>2,670</u>	<u>2,033</u>
Total other than personnel services	<u>99,886</u>	<u>92,320</u>
Total child care services expenses	<u>\$ 890,590</u>	<u>829,172</u>