

LEHMAN COLLEGE AUXILIARY  
ENTERPRISE CORPORATION

Financial Statements and  
Supplementary Information

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Lehman College Auxiliary Enterprise Corporation:

### Report on the Financial Statements

We have audited the accompanying financial statements of Lehman College Auxiliary Enterprise Corporation (the Auxiliary) as of and for the years ended June 30, 2021 and 2020, and the related notes to financial statements, which collectively comprise the Auxiliary'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 Auxiliary'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 Auxiliary'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 Lehman College Auxiliary Enterprise Corporation as of June 30, 2021 and 2020, 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 Matter

### 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 8 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  
October 19, 2021

# LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

## Management's Discussion and Analysis

June 30, 2021

The intent of Management Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of Lehman College Auxiliary Enterprise Corporation's (the Auxiliary) financial position as of June 30, 2021, and changes in 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

- The Auxiliary's total net position at June 30, 2021 was \$3,188,349, an increase of \$1,137,253 or 55.44% from the prior fiscal year.
- Operating revenue totaled \$297,386, a decrease of \$1,158,972 or 79.58% from the prior fiscal year.
- Nonoperating revenue, including CUNY support, increased \$1,808,975 from the prior fiscal year.
- Operating expenses totaled \$924,350, a decrease of \$299,029 or 24.44% from the prior fiscal year.

### Financial Position

The Auxiliary's net position, the difference between assets and liabilities, is one way to measure the Auxiliary's financial health. Over time, increases and decreases in the Auxiliary's net position is one indicator of its long term fiscal stability.

### Statements of Net Position

The following summarizes the Auxiliary's assets, liabilities and net position as of June 30, 2021 and 2020, under the accrual basis of accounting:

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 3,115,958	1,867,126	1,248,832	66.89%
Noncurrent assets	<u>443,671</u>	<u>463,030</u>	<u>(19,359)</u>	<u>(4.18%)</u>
Total assets	<u>3,559,629</u>	<u>2,330,156</u>	<u>1,229,473</u>	<u>52.76%</u>
Liabilities:				
Current liabilities	347,947	255,727	92,220	36.06%
Noncurrent liabilities	<u>23,333</u>	<u>23,333</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>371,280</u>	<u>279,060</u>	<u>92,220</u>	<u>33.05%</u>
Net position:				
Net investment in capital assets	188,655	262,824	(74,169)	(28.22%)
Unrestricted	<u>2,999,694</u>	<u>1,788,272</u>	<u>1,211,422</u>	<u>67.74%</u>
Total net position	\$ <u>3,188,349</u>	<u>2,051,096</u>	<u>1,137,253</u>	<u>55.45%</u>

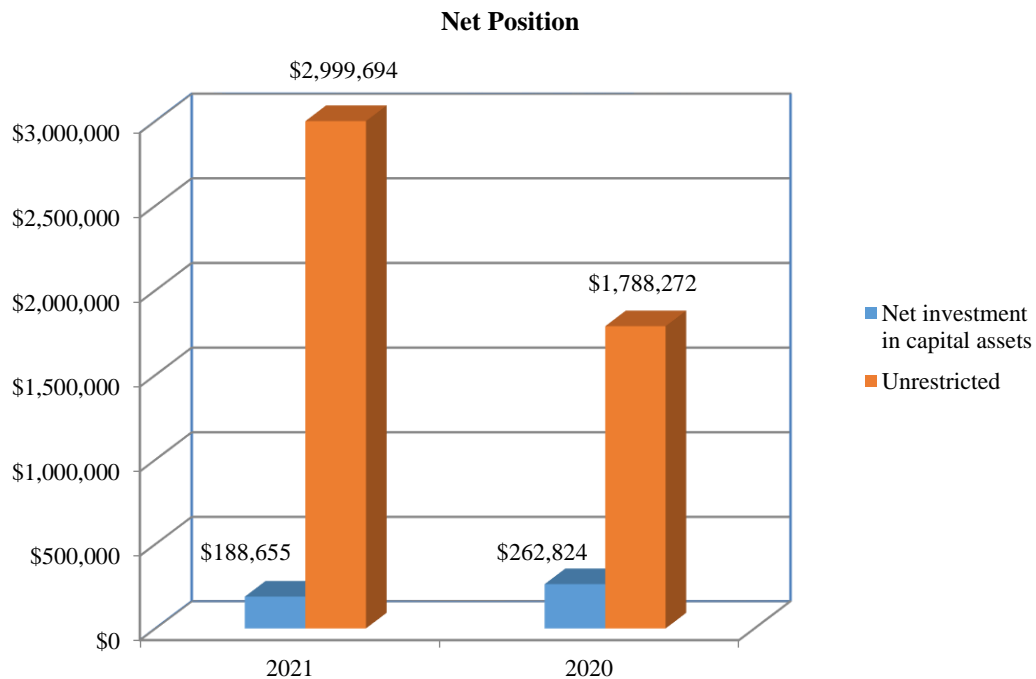
## LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

### Management's Discussion and Analysis, Continued

At June 30, 2021, the Auxiliary's total assets increased by \$1,229,473 or 52.76%, compared to the prior fiscal year. This variance represents an increase in current assets of \$1,248,832 and a decrease in noncurrent assets of \$19,359. The increase in current assets is largely attributable to an increase in accounts receivable from CUNY support as a result the COVID-19 Pandemic.

At June 30, 2021, the Auxiliary's total liabilities increased \$92,220 or 33.05%, compared to the prior fiscal year. This is attributable to the increase in accounts payable and accrued expenses which increased \$4,901 over the previous fiscal year. The increase also is due to related parties which increased \$87,364 over the previous fiscal year.

The following illustrates the Auxiliary's net position at June 30, 2021 and 2020, by category:



LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

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 presents the operating results of the Auxiliary, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2021 and 2020, are as follows:

**Revenue**

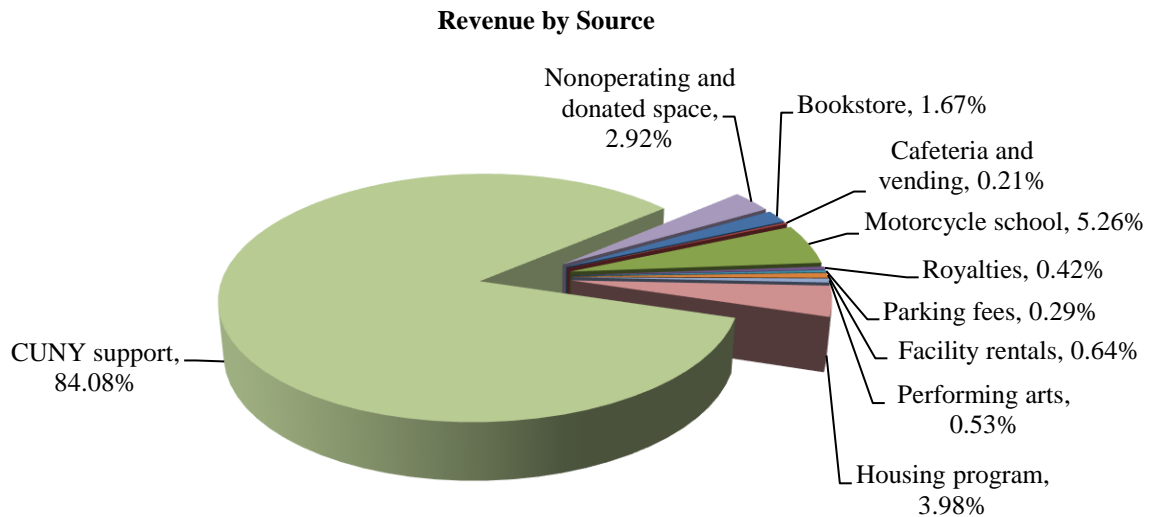
	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Commissions:				
Bookstore	\$ 35,862	78,859	(42,997)	(54.52%)
Cafeteria and vending	4,598	386,537	(381,939)	(98.81%)
Motorcycle school	112,636	77,627	35,009	45.10%
Royalties	8,988	16,792	(7,804)	(46.47%)
Parking fees	6,263	376,098	(369,835)	(98.33%)
Facility rentals	13,819	188,024	(174,205)	(92.65%)
Performing arts	11,350	115,364	(104,014)	(90.16%)
Housing program	85,402	200,047	(114,645)	(57.31%)
Donated space	<u>18,468</u>	<u>17,010</u>	<u>1,458</u>	<u>8.57%</u>
Total operating revenue	<u>297,386</u>	<u>1,456,358</u>	<u>(1,158,972)</u>	<u>(79.58%)</u>
Nonoperating revenue:				
Investment income	43,707	20,258	23,449	115.75%
Other income	-	15,988	(15,988)	(100.00%)
CUNY support	<u>1,801,514</u>	<u>-</u>	<u>1,801,514</u>	<u>100.00%</u>
Total nonoperating revenue	<u>1,845,221</u>	<u>36,246</u>	<u>1,808,975</u>	<u>4,990.83%</u>
Total revenue	\$ <u>2,142,607</u>	<u>1,492,604</u>	<u>650,003</u>	<u>43.55%</u>

The Auxiliary's total revenue, including operating and nonoperating, for the year ended June 30, 2021, was \$2,142,607, an increase of \$650,003 or 43.55% from the prior fiscal year. Driving this were decreases in all of the Auxiliary's revenue generating activities due to the College operating in a remote status for the entire fiscal year curtailing its ability to generate revenue from these operations. The motorcycle school was able to operate during this time and therefore a 45.10% increase in revenue is noted from the prior fiscal year. Investment income increased 115.75% due to an increase in market value of investments held in the CUNY investment pool.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management’s Discussion and Analysis, Continued

The following illustrates the Auxiliary’s operating revenue, by source, for the year ended June 30, 2021:



**Expenses**

	<u>2021</u>	<u>2020</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Parking	\$ 310,615	306,221	4,394	1.43%
Facility rentals	22,248	65,151	(42,903)	(65.85%)
Performing arts	101,982	245,344	(143,362)	(58.43%)
Housing program	241,770	242,558	(788)	(0.32%)
Student programs	-	86,887	(86,887)	(100.00%)
Donated space	18,468	17,010	1,458	8.57%
Management and general	155,098	185,675	(30,577)	(16.47%)
Depreciation	<u>74,169</u>	<u>74,533</u>	<u>(364)</u>	<u>(0.49%)</u>
Total operating expenses	924,350	1,223,379	(299,029)	(24.44%)
Nonoperating expenses - College support	<u>81,004</u>	<u>330,521</u>	<u>(249,517)</u>	<u>(75.49%)</u>
Total expenses	\$ <u>1,005,354</u>	<u>1,553,900</u>	<u>(548,546)</u>	<u>(35.30%)</u>



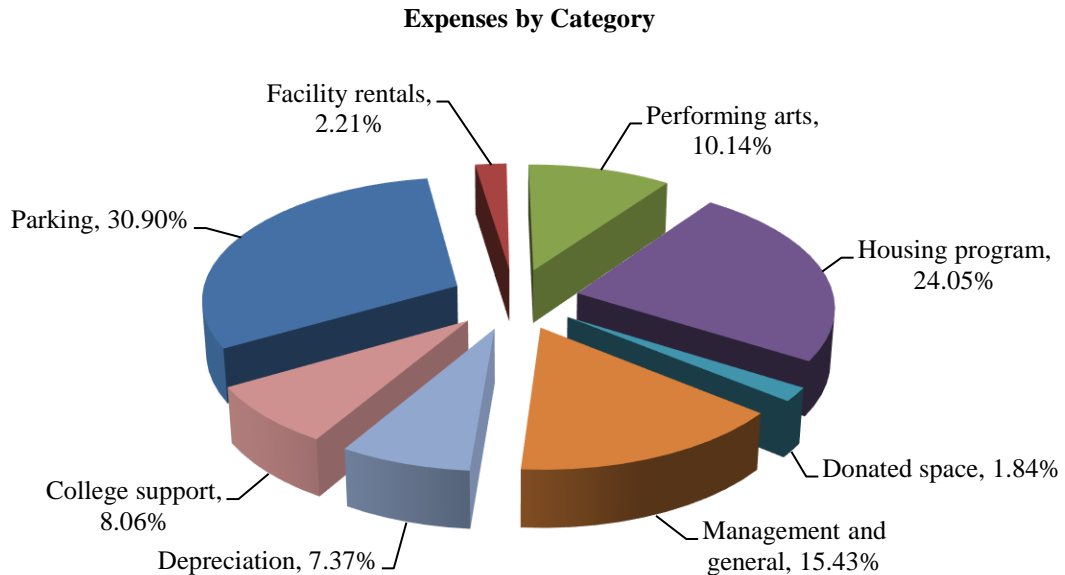
LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management’s Discussion and Analysis, Continued

Total expenses, operating and nonoperating, for the year ended June 30, 2021 were \$1,005,354, a decrease of \$548,546 or 35.30%, compared to the previous fiscal year. Decreases were noted in facility rentals, (65.85%), performing arts, (58.43%), student programs, (100.00%), management and general, (16.47%) and College support, (75.49%).

As with revenue, the Auxiliary’s expenditures declined during the fiscal year due to the campus’ remote status.

The following illustrates the Auxiliary’s total expenses, by category, for the year ended June 30, 2021:



## LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

### Management's Discussion and Analysis, Continued

#### **Cash Flows**

The statement of cash flows provides information about cash receipts and cash payments during the fiscal year and assists users in assessing the Auxiliary's ability to maintain cash needed to meet its obligations and its dependency on external financing. At June 30, 2021, the Auxiliary's cash totaled \$847,447, a decrease of \$457,154 from June 30, 2020 largely attributable to the declines in its income generating activities. The Auxiliary is expecting CUNY support related to the COVID-19 pandemic and once these monies are received, the Auxiliary's cash position will improve accordingly. The Auxiliary has sufficient cash flow to maintain its obligations and does not have to rely on external financing to fund any of its obligations.

#### **Economic Factors That May Affect the Future**

There are no known economic factors that may influence the future. The Auxiliary depends on user fees and commissions to fund its expenditures. Decreases in revenue would be offset by a corresponding decrease in expenditures or an increase in rates.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION  
Statements of Net Position  
June 30, 2021 and 2020

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:			
Cash and equivalents		\$ 847,447	1,304,601
Accounts receivable, net of allowance for doubtful accounts of \$128,330 in 2021 and \$115,059 in 2020		242,695	255,245
Due from CUNY		1,681,101	-
Prepaid expenses and other assets		76,032	26,931
Investments in CUNY investment pool, short-term (note 4)		<u>268,683</u>	<u>280,349</u>
Total current assets		<u>3,115,958</u>	<u>1,867,126</u>
Noncurrent assets:			
Investments in CUNY investment pool, long-term (note 4)		255,016	200,206
Capital assets, net (note 5)		<u>188,655</u>	<u>262,824</u>
Total noncurrent assets		<u>443,671</u>	<u>463,030</u>
Total assets		<u>3,559,629</u>	<u>2,330,156</u>
 <u>Liabilities</u> 			
Current liabilities:			
Accounts payable and accrued expenses		49,348	44,447
Due to related parties (note 8)		267,543	180,179
Deposits held in custody for others (note 6)		<u>31,056</u>	<u>31,101</u>
Total current liabilities		347,947	255,727
Noncurrent liabilities - security deposit		<u>23,333</u>	<u>23,333</u>
Total liabilities		<u>371,280</u>	<u>279,060</u>
 <u>Net Position</u> 			
Net investment in capital assets		188,655	262,824
Unrestricted		<u>2,999,694</u>	<u>1,788,272</u>
Total net position		<u>\$ 3,188,349</u>	<u>2,051,096</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 35,862	78,859
Cafeteria and vending	4,598	386,537
Motorcycle school	112,636	77,627
Royalties	8,988	16,792
Parking fees	6,263	376,098
Facility rentals	13,819	188,024
Performing arts	11,350	115,364
Housing program	85,402	200,047
Donated space (note 7)	<u>18,468</u>	<u>17,010</u>
Total operating revenue	<u>297,386</u>	<u>1,456,358</u>
Operating expenses:		
Parking	310,615	306,221
Facility rentals	22,248	65,151
Performing arts	101,982	245,344
Housing program	241,770	242,558
Student programs	-	86,887
Donated space	18,468	17,010
Management and general	155,098	185,675
Depreciation	<u>74,169</u>	<u>74,533</u>
Total operating expenses	<u>924,350</u>	<u>1,223,379</u>
Income (loss) from operations	<u>(626,964)</u>	<u>232,979</u>
Nonoperating revenue (expenses):		
Investment income	43,707	20,258
Other income	-	15,988
CUNY support	1,801,514	-
College support	<u>(81,004)</u>	<u>(330,521)</u>
Total nonoperating revenue (expenses), net	<u>1,764,217</u>	<u>(294,275)</u>
Change in net position	1,137,253	(61,296)
Net position at beginning of year	<u>2,051,096</u>	<u>2,112,392</u>
Net position at end of year	<u>\$ 3,188,349</u>	<u>2,051,096</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION  
Statements of Cash Flows  
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	\$ 42,424	71,348
Cafeteria and vending commissions	(1,321)	397,539
Motorcycle school	84,049	117,856
Royalties commissions	52,259	16,792
Parking fees	4,741	378,470
Facility rentals	13,819	146,692
Performing arts	14,926	170,963
Housing program	67,299	170,227
Cash payments to/for:		
Salaries and employee benefits	(268,208)	(286,623)
Vendors	(141,070)	(482,330)
Performing arts	(101,981)	(244,331)
Housing program	(241,770)	(243,310)
Facility rentals	(22,248)	(28,522)
Net cash provided by (used in) operating activities	<u>(497,081)</u>	<u>184,771</u>
Cash flows from noncapital financing activities:		
Decrease in deposits held in custody for others	(45)	(14,666)
Bad debt recovery	-	8,593
CUNY support	120,413	-
College support	(81,004)	(330,521)
Net cash provided by (used in) noncapital financing activities	<u>39,364</u>	<u>(336,594)</u>
Cash flows from capital and related financing activities - purchase of capital assets	<u>-</u>	<u>(30,657)</u>
Cash flows from investing activities:		
Investment income	563	833
Other loss	-	7,395
Net cash provided by investing activities	<u>563</u>	<u>8,228</u>
Net change in cash and equivalents	(457,154)	(174,252)
Cash and equivalents at beginning of year	<u>1,304,601</u>	<u>1,478,853</u>
Cash and equivalents at end of year	<u>\$ 847,447</u>	<u>1,304,601</u>

(Continued)

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION  
Statements of Cash Flows, Continued

	<u>2021</u>	<u>2020</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ (626,964)	232,979
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation	74,169	74,533
(Decrease) increase in allowance for doubtful accounts	13,271	(12,473)
Changes in:		
Accounts receivable	(721)	89,654
Prepaid expenses and other assets	(49,101)	46,577
Accounts payable and accrued expenses	4,901	(178,905)
Due to related parties	87,364	(53,061)
Unearned revenue	<u>-</u>	<u>(14,533)</u>
Net cash provided by (used in) operating activities	<u>\$ (497,081)</u>	<u>184,771</u>

See accompanying notes to financial statements.

# LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

## Notes to Financial Statements

June 30, 2021 and 2020

### (1) Nature of Organization

The Lehman College Auxiliary Enterprise Corporation (the Auxiliary) is a nonprofit corporation organized to support certain student activities and provide facilities and auxiliary services for the benefit of the campus of Herbert H. Lehman College (the College) of the City University of New York (CUNY or the University).

### (2) Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The Auxiliary'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 Auxiliary 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 Auxiliary is also considered to be a discretely presented component unit of the University, as defined by GASB.

#### (b) Net Position

The Auxiliary'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 Auxiliary to maintain them in perpetuity.

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

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

At June 30, 2021 and 2020, the Auxiliary had no restricted net position.

#### (c) Cash and Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of 90 days or less.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(e) Investments

The Auxiliary has investments held by 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) totaling \$523,699 and \$480,555 at June 30, 2021 and 2020, respectively. 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.

(f) 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 Auxiliary'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 and \$25,000 or more for building 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 furniture, fixtures and equipment is five years and the estimated useful life of building improvements is 25 years.

(g) Revenue Recognition

Operating revenue is recognized in the period earned and is primarily derived from agreements with third-party vendors that provide bookstore, cafeteria, and vending, facility rentals, fees for parking and other services. Fees that are collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(h) Donated Space

The Auxiliary operates on the campus of the College and, utilizes office space made available to it. The cost savings associated with such arrangements are recorded as donated space and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities (note 7).



LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) 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.

(j) 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.

(k) Commissions

Bookstore, cafeteria and vending commissions represent income earned under contracts with third-party vendors who operate and maintain the campus bookstore, cafeteria, and vending services, respectively.

(l) Subsequent Events

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

(m) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Auxiliary and its future results and financial position is not presently determinable.

(n) Income Taxes

The Auxiliary 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 Auxiliary has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Auxiliary 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 Auxiliary has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Auxiliary are subject to examination by taxing authorities.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(3) Cash and Equivalents and Investments

(a) Custodial Credit Risk - Deposits

Custodial credit risk of deposits is the risk that the Auxiliary's deposits may not be returned in the event of a bank failure. At June 30, 2021, \$678,819 of the Auxiliary's bank balance of \$928,819 was exposed to custodial credit risk as such balances were not within the FDIC deposit insurance limits. At June 30, 2020, \$1,205,783 of the Auxiliary's bank balance of \$1,455,783 was exposed to custodial credit risk.

(b) Custodial Credit Risk - Investments

Custodial credit risk as it relates to investments is the risk that in the event of failure of the counterparty of a transaction, the Auxiliary will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2021 and 2020, the Auxiliary's entire investment portfolio balance of \$523,699 and \$480,555, respectively, was exposed to custodial credit risk, as it was uninsured and uncollateralized.

(4) Investments in CUNY Investment Pool and Related Investment Income

The Auxiliary's investments in the CUNY investment pool comprise 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, 2021 and 2020, are comprised of the following:

	<u>2021</u>	<u>2020</u>
Investments in CUNY investment pool, short term	\$ 268,683	280,349
Investments in CUNY investment pool, long-term	<u>255,016</u>	<u>200,206</u>
	<u>\$ 523,699</u>	<u>480,555</u>

The following table summarizes the activity of investments during the years ended June 30, 2021 and 2020:

Balance at June 30, 2019	\$ 461,130
Interest and dividends	8,331
Realized gains	6,604
Unrealized gains	<u>4,490</u>
Balance at June 30, 2020	480,555
Interest and dividends	6,568
Realized gains	4,168
Unrealized gains	<u>32,408</u>
Balance at June 30, 2021	<u>\$ 523,699</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

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

A summary of investment income from the CUNY investment pool for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 6,568	8,331
Realized gains	4,168	6,604
Unrealized gains	<u>32,408</u>	<u>4,490</u>
Total	\$ <u>43,144</u>	<u>19,425</u>

(5) Capital Assets

At June 30, 2021 and 2020, capital assets consisted of the following:

2021				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 364,035	-	-	364,035
Cafeteria renovations	464,300	-	-	464,300
Parking gate	293,718	-	-	293,718
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,307,053	-	-	1,307,053
Less accumulated depreciation	<u>(1,044,229)</u>	<u>(74,169)</u>	<u>-</u>	<u>(1,118,398)</u>
	\$ <u>262,824</u>	<u>(74,169)</u>	<u>-</u>	<u>188,655</u>
2020				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 364,035	-	-	364,035
Cafeteria renovations	464,300	-	-	464,300
Parking gate	263,061	30,657	-	293,718
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,276,396	30,657	-	1,307,053
Less accumulated depreciation	<u>(969,696)</u>	<u>(74,533)</u>	<u>-</u>	<u>(1,044,229)</u>
	\$ <u>306,700</u>	<u>(43,876)</u>	<u>-</u>	<u>262,824</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(6) Deposits Held in Custody for Others

At June 30, 2021 and 2020, the Auxiliary held \$31,056 and \$31,101, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other groups and organizations related to the College.

(7) Donated Space

The Auxiliary utilizes certain facilities provided by the College. The estimated fair values of facilities are included in the accompanying statements of revenue, expenses and changes in net position. Donated space for the years ended June 30, 2021 and 2020 amounted to \$18,468 and \$17,010, respectively.

(8) Related Party Transactions

The Auxiliary has funded various College expenses including campus ceremonies, equipment and maintenance and music expenses. These expenses are included within College support in the accompanying statements of revenue, expenses and changes in net position. College support for the years ended June 30, 2021 and 2020 amounted to \$81,004 and \$330,521, respectively. The Auxiliary is occasionally required to transfer funds to/from other College related entities during the course of the year for payroll reimbursement and other costs, if any.

The Auxiliary has invested \$523,699 and \$480,555 as of June 30, 2021 and 2020, respectively, in the CUNY investment pool (note 4) which is under the control of the Committee, a related party.

At June 30, 2021 and 2020, the Auxiliary owed \$267,543 and \$180,179, respectively, to other Lehman College entities. These amounts are included in due to related parties on the statements of net position.

During the year ended June 30, 2021, CUNY allocated \$1,801,514 in funding to the Auxiliary as CUNY support. At June 30, 2021, \$1,681,101 of this amount was due from CUNY.

(9) 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. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented, Continued

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.