

LEHMAN COLLEGE AUXILIARY
ENTERPRISE CORPORATION

Financial Statements and
Supplementary Information

June 30, 2020 and 2019

(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, 2020 and 2019, 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, 2020 and 2019, 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 2, 2020

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management's Discussion and Analysis

June 30, 2020

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, 2020, 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, 2020 was \$2,051,096, a decrease of \$61,296 or 2.9% from the prior fiscal year.
- Operating revenue totaled \$1,456,358, decrease of \$456,622 or 24.2% from the prior fiscal year.
- Operating expenses totaled \$1,223,379 decrease of \$227,964 or 15.7% 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, 2020 and 2019, under the accrual basis of accounting:

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,867,126	2,149,995	(282,869)	(13.2%)
Noncurrent assets	<u>463,030</u>	<u>502,622</u>	<u>(39,592)</u>	<u>(7.9%)</u>
Total assets	<u>2,330,156</u>	<u>2,652,617</u>	<u>(322,461)</u>	<u>(12.2%)</u>
Liabilities:				
Current liabilities	255,727	516,892	(261,165)	(50.5%)
Noncurrent liabilities	<u>23,333</u>	<u>23,333</u>	-	-
Total liabilities	<u>279,060</u>	<u>540,225</u>	<u>(261,165)</u>	<u>(48.3%)</u>
Net position:				
Net investment in capital assets	262,824	306,700	(43,876)	(14.3%)
Unrestricted	<u>1,788,272</u>	<u>1,805,692</u>	<u>(17,420)</u>	<u>(1.0%)</u>
Total net position	\$ <u>2,051,096</u>	<u>2,112,392</u>	<u>(61,296)</u>	<u>(2.9%)</u>

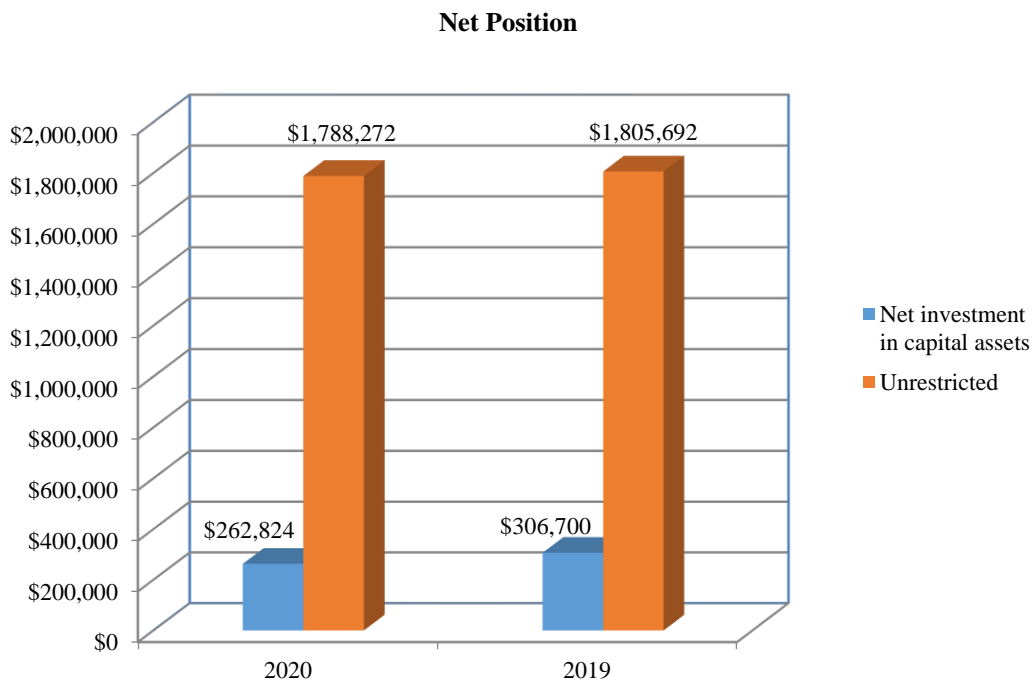
LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Management's Discussion and Analysis, Continued

At June 30, 2020, the Auxiliary's total assets decreased by \$322,461 or 12.2%, compared to the prior fiscal year. This variance represents a decrease in current assets of \$282,869 and noncurrent assets of \$39,592. The decrease in current assets is largely attributable to declines in cash and equivalents received from the Auxiliary's revenue generating activities due to the campus closure beginning March 2020 on account of the COVID-19 pandemic.

At June 30, 2020, the Auxiliary's total liabilities decreased \$261,165 or 48.3%, compared to the prior fiscal year. This is largely attributable to the decrease in accounts payable and accrued liabilities which decreased \$178,905 over the previous fiscal year. This is also due to the early closing of the Campus and the resulting decrease in expenditures that occurred during the last quarter of the fiscal year.

The following illustrates the Auxiliary's net position at June 30, 2020 and 2019, 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, 2020 and 2019, are as follows:

Revenue

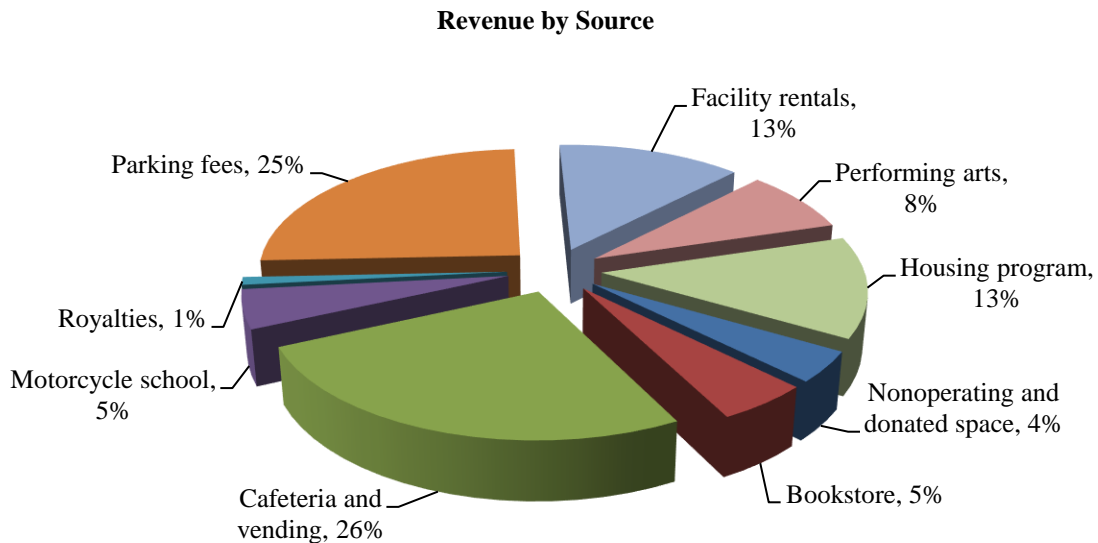
	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Commissions:				
Bookstore	\$ 78,859	154,410	(75,551)	(48.9%)
Cafeteria and vending	386,537	439,683	(53,146)	(12.1%)
Motorcycle school	77,627	128,387	(50,760)	(39.5%)
Royalties	16,792	17,814	(1,022)	(5.7%)
Parking fees	376,098	484,633	(108,535)	(22.4%)
Facility rentals	188,024	200,326	(12,302)	(6.1%)
Performing arts	115,364	268,794	(153,430)	(57.1%)
Housing program	200,047	210,923	(10,876)	(5.2%)
Donated space	<u>17,010</u>	<u>17,010</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>1,456,358</u>	<u>1,921,980</u>	<u>(465,622)</u>	<u>(24.2%)</u>
Nonoperating revenue:				
Investment income	20,258	21,162	(904)	(4.3%)
Other income	<u>15,988</u>	<u>5,001</u>	<u>10,987</u>	<u>219.7%</u>
Total nonoperating revenue	<u>36,246</u>	<u>26,163</u>	<u>10,083</u>	<u>38.5%</u>
Total revenue	\$ <u>1,492,604</u>	<u>1,948,143</u>	<u>(455,539)</u>	<u>(23.4%)</u>

The Auxiliary's total revenue, including operating and nonoperating, for the year ended June 30, 2020, was \$1,492,604, decrease of \$455,539 or 23.4% from the prior fiscal year. Driving this were decreases in all of the Auxiliary's revenue generating activities due to the College's closure and move to remote status from March through the remainder of the fiscal year.

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, 2020:



Expenses

	<u>2020</u>	<u>2019</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Parking	\$ 306,221	339,701	(33,480)	(9.9%)
Facility rentals	65,151	166,437	(101,286)	(60.9%)
Performing arts	245,344	316,404	(71,060)	(22.5%)
Housing program	242,558	218,138	24,420	11.2%
Student programs	86,887	104,167	(17,280)	(16.6%)
Donated space	17,010	17,010	-	-
Management and general	185,675	195,935	(10,260)	(5.2%)
Depreciation	<u>74,533</u>	<u>93,551</u>	<u>(19,018)</u>	<u>(20.3%)</u>
Total operating expenses	1,223,379	1,451,343	(227,964)	(15.7%)
Nonoperating expenses - College support	<u>330,521</u>	<u>448,211</u>	<u>(117,690)</u>	<u>(26.3%)</u>
Total expenses	\$ <u>1,553,900</u>	<u>1,899,554</u>	<u>(345,654)</u>	<u>(18.2%)</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

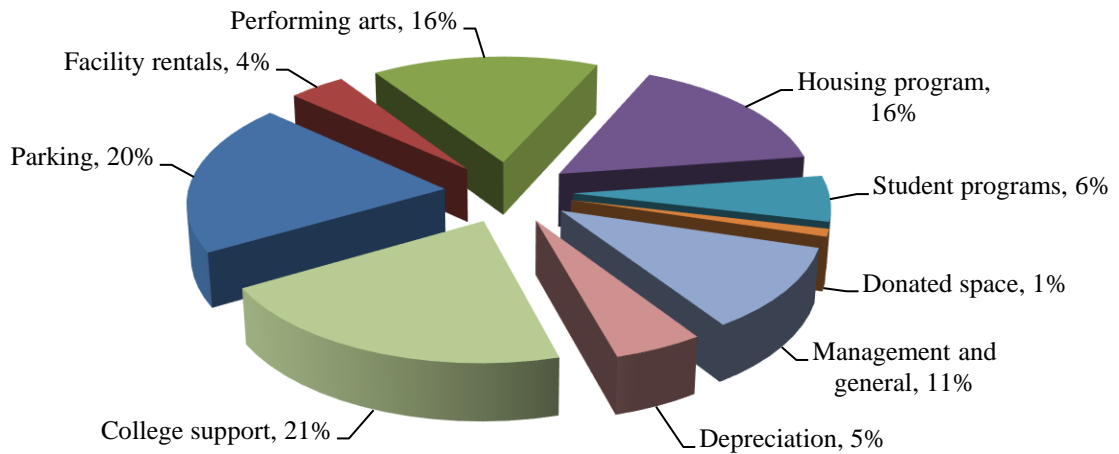
Management's Discussion and Analysis, Continued

Total expenses, operating and nonoperating, for the year ended June 30, 2020 were \$1,553,900 a decrease of \$345,654 or 18.2%, compared to the previous fiscal year. Decreases were noted in parking, 9.9%, rentals, 60.9%, performing arts, 22.5%, student programs, 16.6%, management and general, 5.2%, depreciation, 20.3% and College support, 26.3%.

As with revenues, the Auxiliary's expenditures declined significantly during the last quarter of the fiscal year due to the campus' closure during that time.

The following illustrates the Auxiliary's total expenses, by category, for the year ended June 30, 2020:

Expenses by Category



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, 2020, the Auxiliary's cash totaled \$1,304,601, a decrease of \$174,252 over June 30, 2019 largely attributable to the declines in its income generating activities towards the end of the fiscal year. 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. In addition, operational adjustments due to the COVID-19 pandemic has continued to effect the Auxiliary.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
 Statements of Net Position
 June 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and equivalents	\$ 1,304,601	1,478,853
Accounts receivable, net of allowance for doubtful accounts of \$115,059 in 2020 and \$127,532 in 2019	255,245	332,426
Prepaid expenses and other assets	26,931	73,508
Investments in CUNY investment pool, short-term (note 4)	<u>280,349</u>	<u>265,208</u>
Total current assets	<u>1,867,126</u>	<u>2,149,995</u>
Noncurrent assets:		
Investments in CUNY investment pool, long-term (note 4)	200,206	195,922
Capital assets, net (note 5)	<u>262,824</u>	<u>306,700</u>
Total noncurrent assets	<u>463,030</u>	<u>502,622</u>
Total assets	<u>2,330,156</u>	<u>2,652,617</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	44,447	223,352
Due to related parties (note 8)	180,179	233,240
Deposits held in custody for others (note 6)	31,101	45,767
Unearned revenue	<u>-</u>	<u>14,533</u>
Total current liabilities	255,727	516,892
Noncurrent liabilities - security deposit	<u>23,333</u>	<u>23,333</u>
Total liabilities	<u>279,060</u>	<u>540,225</u>
 <u>Net Position</u>		
Net investment in capital assets	262,824	306,700
Unrestricted	<u>1,788,272</u>	<u>1,805,692</u>
Total net position	<u>\$ 2,051,096</u>	<u>2,112,392</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Commissions:		
Bookstore	\$ 78,859	154,410
Cafeteria and vending	386,537	439,683
Motorcycle school	77,627	128,387
Royalties	16,792	17,814
Parking fees	376,098	484,633
Facility rentals	188,024	200,326
Performing arts	115,364	268,794
Housing program	200,047	210,923
Donated space (note 7)	<u>17,010</u>	<u>17,010</u>
Total operating revenue	<u>1,456,358</u>	<u>1,921,980</u>
Operating expenses:		
Parking	306,221	339,701
Facility rentals	65,151	166,437
Performing arts	245,344	316,404
Housing program	242,558	218,138
Student programs	86,887	104,167
Donated space	17,010	17,010
Management and general	185,675	195,935
Depreciation	<u>74,533</u>	<u>93,551</u>
Total operating expenses	<u>1,223,379</u>	<u>1,451,343</u>
Income from operations	<u>232,979</u>	<u>470,637</u>
Nonoperating revenue (expenses):		
Investment income	20,258	21,162
Other income	15,988	5,001
College support	<u>(330,521)</u>	<u>(448,211)</u>
Total nonoperating expenses, net	<u>(294,275)</u>	<u>(422,048)</u>
Change in net position	(61,296)	48,589
Net position at beginning of year	<u>2,112,392</u>	<u>2,063,803</u>
Net position at end of year	<u>\$ 2,051,096</u>	<u>2,112,392</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
 Statements of Cash Flows
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash receipts from:		
Bookstore commissions	\$ 71,348	173,065
Cafeteria and vending commissions	397,539	456,177
Motorcycle school	117,856	117,061
Royalties commissions	16,792	17,814
Parking fees	378,470	468,669
Facility rentals	146,692	160,514
Performing arts	170,963	299,582
Housing program	170,227	228,202
Cash payments to/for:		
Salaries and employee benefits	(286,623)	(346,021)
Vendors	(482,330)	(138,111)
Performing arts	(244,331)	(315,141)
Housing program	(243,310)	(217,838)
Facility rentals	(28,522)	(124,554)
Net cash provided by operating activities	<u>184,771</u>	<u>779,419</u>
Cash flows from noncapital financing activities:		
Increase (decrease) in deposits held in custody for others	(14,666)	11,421
Bad debt recovery	8,593	7,313
Repayment of security deposits	-	(3,185)
College support	(330,521)	(448,211)
Net cash used in noncapital financing activities	<u>(336,594)</u>	<u>(432,662)</u>
Cash flows from capital and related financing activities - purchase of capital assets	<u>(30,657)</u>	<u>(79,831)</u>
Cash flows from investing activities:		
Investment income	833	797
Other loss	7,395	(2,312)
Net cash used in investing activities	<u>8,228</u>	<u>(1,515)</u>
Net change in cash and equivalents	(174,252)	265,411
Cash and equivalents at beginning of year	<u>1,478,853</u>	<u>1,213,442</u>
Cash and equivalents at end of year	<u>\$ 1,304,601</u>	<u>1,478,853</u>

(Continued)

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION
Statements of Cash Flows, Continued

	<u>2020</u>	<u>2019</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 232,979	470,637
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	74,533	93,551
(Decrease) increase in allowance for doubtful accounts	(12,473)	2,196
Changes in:		
Accounts receivable	89,654	53,179
Prepaid expenses and other assets	46,577	(7,418)
Accounts payable and accrued expenses	(178,905)	146,948
Due to related parties	(53,061)	14,643
Unearned revenue	<u>(14,533)</u>	<u>5,683</u>
Net cash provided by operating activities	<u>\$ 184,771</u>	<u>779,419</u>

See accompanying notes to financial statements.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements

June 30, 2020 and 2019

(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, 2020 and 2019, 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 \$480,555 and \$461,130 at June 30, 2020 and 2019, 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.

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.

(m) 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

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, 2020, \$1,205,783 of the Auxiliary's bank balance of \$1,455,783 was exposed to custodial credit risk as such balances were not within the FDIC deposit insurance limits.

(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, 2020 and 2019, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Investments in CUNY investment pool, short term	\$ 280,349	265,208
Investments in CUNY investment pool, long-term	<u>200,206</u>	<u>195,922</u>
	\$ <u>480,555</u>	<u>461,130</u>

The following table summarizes the activity of investments during the years ended June 30, 2020 and 2019:

Balance at July 1, 2018		\$ 440,765
Interest and dividends		8,733
Realized gains		32,639
Unrealized losses		<u>(21,007)</u>
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		\$ <u>480,555</u>

A summary of investment income from the CUNY investment pool for the years ended June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 8,331	8,733
Realized gains	6,604	32,639
Unrealized gains (losses)	<u>4,490</u>	<u>(21,007)</u>
Total	\$ <u>19,425</u>	<u>20,365</u>

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(5) Capital Assets

At June 30, 2020 and 2019, capital assets consisted of the following:

	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>
	2019			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Equipment	\$ 336,078	27,957	-	364,035
Cafeteria renovations	464,300	-	-	464,300
Parking gate	211,187	51,874	-	263,061
Parking lot improvements	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>185,000</u>
	1,196,565	79,831	-	1,276,396
Less accumulated depreciation	<u>(876,145)</u>	<u>(93,551)</u>	<u>-</u>	<u>(969,696)</u>
	<u>\$ 320,420</u>	<u>(13,720)</u>	<u>-</u>	<u>306,700</u>

(6) Deposits Held in Custody for Others

At June 30, 2020 and 2019, the Auxiliary held \$31,101 and \$45,767, 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, 2020 and 2019 amounted to \$17,010.

LEHMAN COLLEGE AUXILIARY ENTERPRISE CORPORATION

Notes to Financial Statements, Continued

(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, 2020 and 2019 amounted to \$330,521 and \$448,211, 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 \$480,555 and \$461,130 as of June 30, 2020 and 2019, respectively, in the CUNY investment pool (note 4) which is under the control of the Committee, a related party.

At June 30, 2020 and 2019, the Auxiliary owed \$180,179 and \$233,240, respectively, to other Lehman College entities. These amounts are included in due to related parties on the statements of net position.