

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Financial Statements and
Supplementary Information

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Herbert H. Lehman College Association
for Campus Activities, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association), as of and for the years ended June 30, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Association's financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the net position of Herbert H. Lehman College Association for Campus Activities, Inc. as of June 30, 2025 and 2024 and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 8, 2025

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis

June 30, 2025 and 2024

The intent of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) Management's Discussion and Analysis (MD&A) is to provide readers with a comprehensive overview of the Association's financial position and changes to its financial position for the years ended June 30, 2025 and 2024. 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 Association's net position at June 30, 2025 was \$4,327,389, decreasing \$322,931 or 7% from the prior fiscal year.
- Operating revenue was \$3,300,112, increasing \$58,588 or 2% from the prior fiscal year.
- Operating expenses were \$3,815,422 increasing \$307,051 or 9% from the prior fiscal year.

Statement of Net Position

The statement of net position presents the assets, liabilities and net position of the Association for the year ended June 30, 2025. The statement of net position presents end-of-year data concerning assets (current and noncurrent), liabilities (current) and net position (net investment in capital assets, restricted and unrestricted). The purpose of the statement of net position is to present to the reader of the financial statements with a financial snapshot of the Association to determine the assets available to continue the operations. They are also able to determine how much the Association owes vendors (accounts payable) and how much others owe the Association (accounts receivable). The statement of net position provides an overall picture of the Association's financial ability to maintain its operations in both the long and short term.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2025 and 2024, under the accrual basis of accounting:

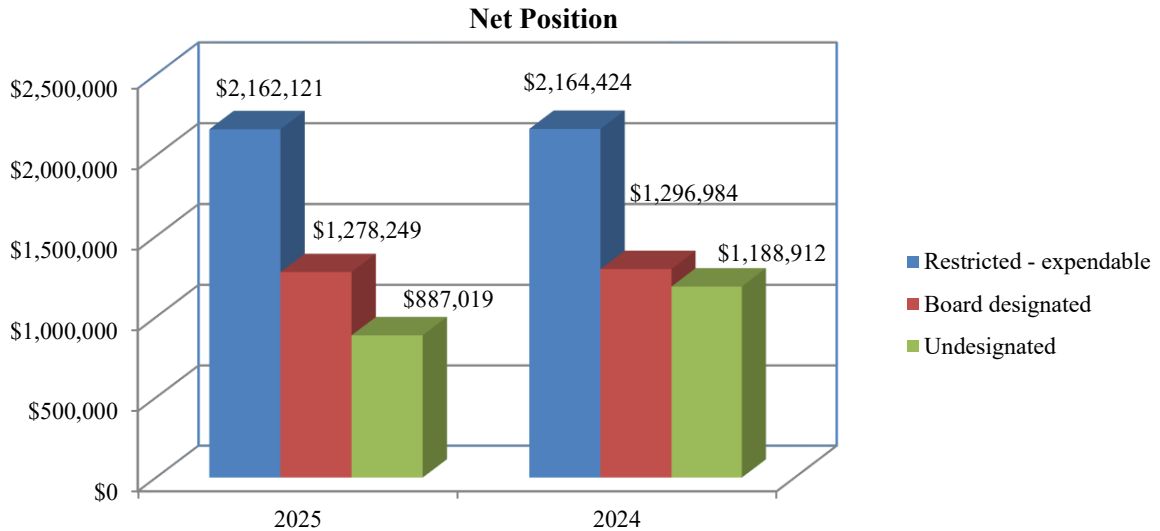
	<u>2025</u>	<u>2024</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 3,084,986	3,651,676	(566,690)	(16%)
Noncurrent assets	<u>1,453,499</u>	<u>1,337,994</u>	<u>115,505</u>	9%
Total assets	<u>4,538,485</u>	<u>4,989,670</u>	<u>(451,185)</u>	(9%)
Current liabilities	<u>211,096</u>	<u>339,350</u>	<u>(128,254)</u>	(38%)
Net position:				
Unrestricted:				
Expendable	2,162,121	2,164,424	(2,303)	(1%)
Board designated	1,278,249	1,296,984	(18,735)	(1%)
Undesignated	<u>887,019</u>	<u>1,188,912</u>	<u>(301,893)</u>	(25%)
Total net position	\$ <u>4,327,389</u>	<u>4,650,320</u>	<u>(322,931)</u>	(7%)

As of June 30, 2025, the Association's total net position declined by \$322,931, representing a 7% decrease compared to the prior fiscal year. This reduction was primarily driven by strategic expansion in student programming and engagement initiatives. While these enhancements aligned with our mission and increased student participation, they also resulted in expenditure exceeding the approved budget. To responsibly support these initiatives, the Association utilized reserve funds to cover costs beyond the allocated budget. This drawdown contributed to a lower year-end cash balance, reflecting our commitment to programmatic growth while maintaining fiscal oversight.

**HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.**

Management's Discussion and Analysis, Continued

The following illustrates the Association's net position at June 30, 2025 and 2024 by category:



The following summarizes the Association's assets, liabilities and net position as of June 30, 2024 and 2023, under the accrual basis of accounting:

	<u>2024</u>	<u>2023</u> <u>(As restated)</u>	<u>Dollar</u> <u>change</u>	<u>Percent</u> <u>change</u>
Assets:				
Current assets	\$ 3,651,676	3,983,572	(331,896)	(8%)
Noncurrent assets	<u>1,337,994</u>	<u>1,247,977</u>	<u>90,017</u>	7%
Total assets	<u>4,989,670</u>	<u>5,231,549</u>	<u>(241,879)</u>	(5%)
Current liabilities	<u>339,350</u>	<u>537,304</u>	<u>(197,954)</u>	(37%)
Net position:				
Unrestricted:				
Expendable	2,164,424	2,030,410	134,014	7%
Board designated	1,296,984	1,296,984	-	-
Undesignated	<u>1,188,912</u>	<u>1,366,851</u>	<u>(177,939)</u>	(13%)
Total net position	\$ <u>4,650,320</u>	<u>4,694,245</u>	<u>(43,925)</u>	(1%)

At June 30, 2024, the Association's total net position decreased \$43,925 or 1%, over the prior fiscal year. This is largely due to a decrease in cash on hand from unspent earmarked student activity fees.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, 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 Association, as well as nonoperating revenue and expenses, if any. The major components of revenue for the years ended June 30, 2025 and 2024 are as follows:

Revenue

	<u>2025</u>	<u>2024</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 2,372,632	2,314,044	58,588	3%
Donated space	<u>927,480</u>	<u>927,480</u>	<u>-</u>	-
Total operating revenue	3,300,112	3,241,524	58,588	2%
Nonoperating revenue	<u>192,379</u>	<u>222,922</u>	<u>(30,543)</u>	(14%)
Total revenue	\$ <u>3,492,491</u>	<u>3,464,446</u>	<u>28,045</u>	1%

The Association's total revenue, operating and nonoperating, for the year ended June 30, 2025 was \$3,492,491, an increase of \$28,045 or 1%, from the prior fiscal year. This increase is primarily due to a surge in student activity fee revenue due to a rise in enrollment.

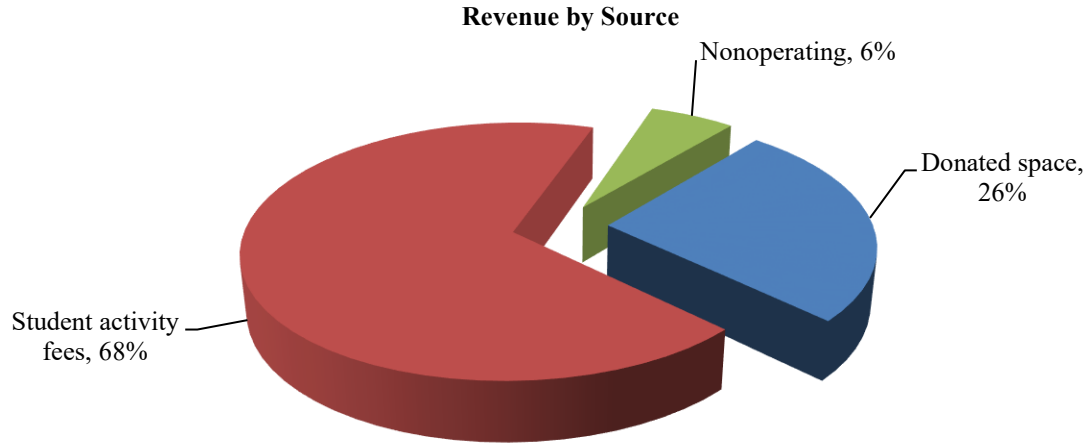
Student activity fees represented approximately 68% of total revenue and, accordingly, the Association is dependent upon this support to carry out its operations.

There were no other significant or unexpected changes in the Association's revenue.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

The following illustrates the Association's total revenue by source, for the year ended June 30, 2025:



Presented for comparative purposes are the major components of revenue for the years ended June 30, 2024 and 2023:

Revenue

	<u>2024</u>	<u>2023</u> <u>(As restated)</u>	<u>Dollar</u> <u>change</u>	<u>Percent</u> <u>change</u>
Operating revenue:				
Student activity fees	\$ 2,314,044	2,390,794	(76,750)	(3%)
Donated space	<u>927,480</u>	<u>927,480</u>	<u>-</u>	-
Total operating revenue	3,241,524	3,318,274	(76,750)	(2%)
Nonoperating revenue	<u>222,922</u>	<u>205,172</u>	<u>17,750</u>	9%
Total revenue	\$ <u>3,464,446</u>	<u>3,523,446</u>	<u>(59,000)</u>	(2%)

The Association's total revenue, operating and nonoperating, for the year ended June 30, 2024 was \$3,464,446, a decrease of \$59,000 or 2%, from the prior fiscal year. This decrease is primarily due to a decline in student activity fee revenue due to lower enrollment.

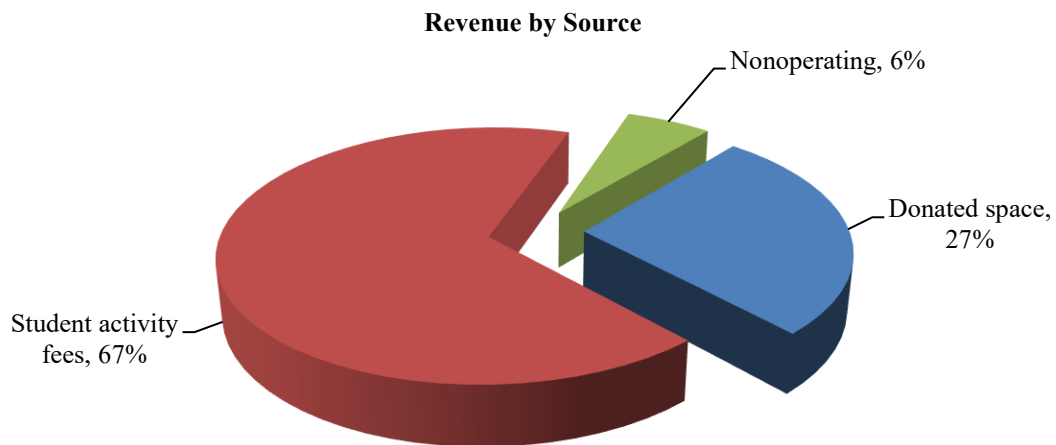
HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Student activity fees represented approximately 67% of total revenue and, accordingly, the Association is dependent upon this support to carry out its operations.

There were no other significant or unexpected changes in the Association's revenue.

The following illustrates the Association's total revenue by source, for the year ended June 30, 2024:



The major components of expenses for the years ended June 30, 2025 and 2024 are as follows:

Expenses

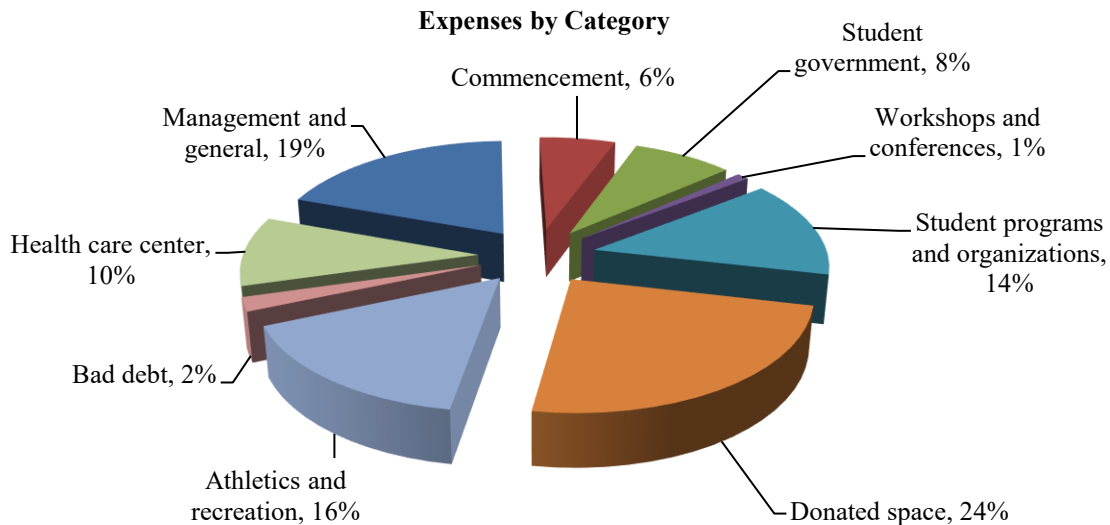
	<u>2025</u>	<u>2024</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 309,643	287,076	22,567	8%
Communications media	7,783	14,575	(6,792)	(47%)
Workshops and conferences	36,378	19,690	16,688	85%
Commencement	223,841	202,001	21,840	11%
Student programs and organizations	518,736	447,063	71,673	16%
Donated space	927,480	927,480	-	-
Athletics and recreation	611,335	611,503	(168)	(1%)
Health care center	372,867	333,159	39,708	12%
Management and general	711,736	623,383	88,353	14%
Building improvement	18,735	-	18,735	100%
Bad debt	<u>76,888</u>	<u>42,441</u>	<u>34,447</u>	81%
Total operating expenses	\$ <u>3,815,422</u>	<u>3,508,371</u>	<u>307,051</u>	9%

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Total operating expenses for the year ended June 30, 2025 were \$3,815,422, an increase of \$307,051 or 9%, compared to the prior fiscal year. This is primarily due to an increase in all student programs and contractual salaries increases.

The following illustrates the Association's total expenses by category, for the year ended June 30, 2025.



Presented for comparative purposes are the Association's operating expenses for the fiscal years ended June 30, 2024 and 2023.

Expenses

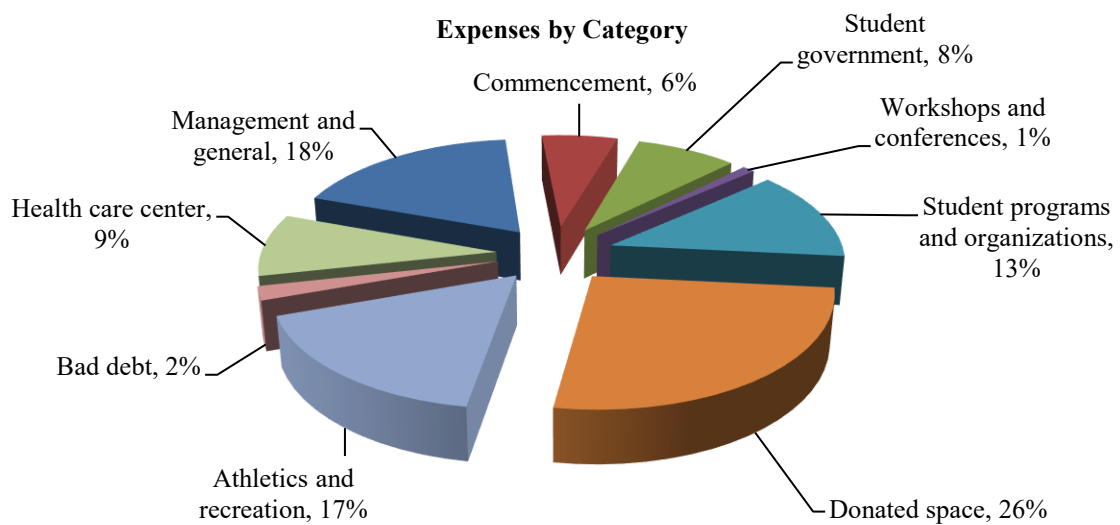
	<u>2024</u>	<u>2023</u> <u>(As restated)</u>	<u>Dollar</u> <u>change</u>	<u>Percent</u> <u>change</u>
Operating expenses:				
Student government	\$ 287,076	234,252	52,824	23%
Communications media	14,575	13,710	865	6%
Workshops and conferences	19,690	54,714	(35,024)	(64%)
Commencement	202,001	151,732	50,269	33%
Student programs and organizations	447,063	431,354	15,709	4%
Donated space	927,480	927,480	-	-
Athletics and recreation	611,503	638,762	(27,259)	(4%)
Health care center	333,159	297,814	35,345	12%
Management and general	623,383	478,811	144,572	30%
Bad debt	42,441	27,288	15,153	56%
Total operating expenses	\$ <u>3,508,371</u>	<u>3,255,917</u>	<u>252,454</u>	8%

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Total operating expenses for the year ended June 30, 2024 were \$3,508,371, an increase of \$252,454 or 8%, compared to the prior fiscal year. This is primarily due to an increase in all student association activities.

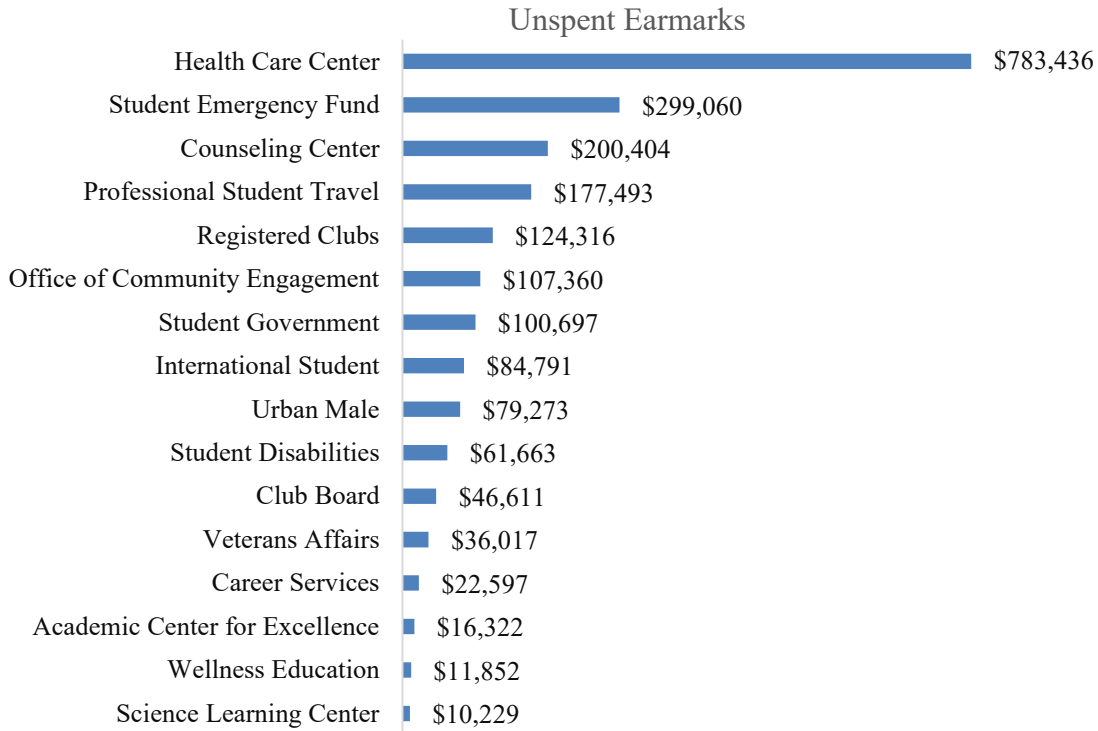
The following illustrates the Association's total expenses by category, for the year ended June 30, 2024.



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FOR CAMPUS ACTIVITIES, INC.

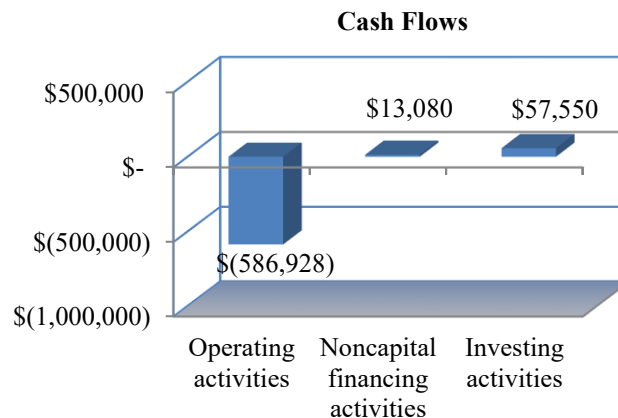
Management's Discussion and Analysis, Continued

The following graph is a breakdown of the unrestricted net assets by earmark as of June 30, 2025.



Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. The statement assists users in assessing the Association's ability to generate cash flows, meet its obligations as they come due, and measure its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2025:



HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Economic Factors That May Affect the Future

At present, there are no known external economic factors expected to materially impact future operations. However, student enrollment remains a key internal variable, as it directly influences revenue generation, associated expenditures, and necessary operational adjustments. Fluctuations in enrollment levels may require strategic recalibration of resources to maintain financial sustainability and program effectiveness.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Statements of Net Position

June 30, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and equivalents	\$ 1,887,589	2,403,887
Investments in CUNY investment pool, short-term (note 4)	60,562	55,750
Due from related parties, less allowance for doubtful accounts of \$203,969 in 2025 and \$152,387 in 2024 (note 7)	877,982	887,511
Student loans receivable	-	2,403
Deposits held in custody for others, net (note 8)	28,559	29,991
Prepaid expenses	<u>230,294</u>	<u>272,134</u>
Total current assets	<u>3,084,986</u>	<u>3,651,676</u>
Noncurrent assets - investments in CUNY investment pool, long-term (note 4)	<u>1,453,499</u>	<u>1,337,994</u>
Total assets	<u>4,538,485</u>	<u>4,989,670</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	182,537	308,921
Unearned revenue	-	438
Deposits held in custody for others, net (note 8)	<u>28,559</u>	<u>29,991</u>
Total current liabilities	<u>211,096</u>	<u>339,350</u>
 <u>Net Position</u>		
Unrestricted:		
Expendable	2,162,121	2,164,424
Board designated (note 9)	1,278,249	1,296,984
Undesignated	<u>887,019</u>	<u>1,188,912</u>
Total net position	<u>\$ 4,327,389</u>	<u>4,650,320</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Revenue, Expenses and Changes in Net Position
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenue:		
Student activity fees	\$ 2,372,632	2,314,044
Donated space (note 6)	<u>927,480</u>	<u>927,480</u>
Total operating revenue	<u>3,300,112</u>	<u>3,241,524</u>
Operating expenses:		
Student government	309,643	287,076
Communications media	7,783	14,575
Workshops and conferences	36,378	19,690
Commencement	223,841	202,001
Student programs and organizations	518,736	447,063
Donated space (note 6)	927,480	927,480
Athletics and recreation	611,335	611,503
Health care center	372,867	333,159
Management and general	711,736	623,383
Building improvement	18,735	-
Bad debt	<u>76,888</u>	<u>42,441</u>
Total operating expenses	<u>3,815,422</u>	<u>3,508,371</u>
Loss from operations	<u>(515,310)</u>	<u>(266,847)</u>
Nonoperating revenue:		
Interest income	81,217	87,433
Net gains on investments	96,650	73,082
Contributions	4,569	43,866
Other income	<u>9,943</u>	<u>18,541</u>
Total nonoperating revenue	<u>192,379</u>	<u>222,922</u>
Change in net position	(322,931)	(43,925)
Net position at beginning of year	<u>4,650,320</u>	<u>4,694,245</u>
Net position at end of year	<u><u>\$ 4,327,389</u></u>	<u><u>4,650,320</u></u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from - student activity fees	\$ 2,384,126	2,285,490
Cash payments to/for:		
Salaries, benefits and taxes	(590,513)	(538,563)
Conferences, conventions and meeting	(36,378)	(19,690)
Vendors and other	<u>(2,344,163)</u>	<u>(2,224,037)</u>
Net cash used in operating activities	<u>(586,928)</u>	<u>(496,800)</u>
Cash flows from noncapital financing activities:		
Decrease in deposits held in custody for others	(1,432)	(3,479)
Contributions	4,569	43,866
Other income	<u>9,943</u>	<u>18,541</u>
Net cash provided by noncapital financing activities	<u>13,080</u>	<u>58,928</u>
Cash flows from investing activities:		
Interest income	81,217	87,433
Reinvestment of interest received	<u>(23,667)</u>	<u>(20,686)</u>
Net cash provided by investing activities	<u>57,550</u>	<u>66,747</u>
Net change in cash and equivalents	(516,298)	(371,125)
Cash and equivalents at beginning of year	<u>2,403,887</u>	<u>2,775,012</u>
Cash and equivalents at end of year	<u>\$ 1,887,589</u>	<u>2,403,887</u>

(Continued)

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows, Continued

	<u>2025</u>	<u>2024</u>
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	\$ (515,310)	(266,847)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Bad debt	76,888	42,441
Changes in:		
Due from related parties	(67,359)	(59,953)
Deposits held in custody for others	1,432	3,479
Student loans receivable	2,403	-
Prepaid expenses	41,840	(21,445)
Accounts payable and accrued expenses	(126,384)	(183,434)
Unearned revenue	<u>(438)</u>	<u>(11,041)</u>
Net cash used in operating activities	<u>\$ (586,928)</u>	<u>(496,800)</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements

June 30, 2025 and 2024

(1) Nature of Organization

The Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) is a nonprofit entity created for the principal purpose of developing and cultivating educational, social, cultural, and recreational activities among students of Lehman College (the College) of the City University of New York (CUNY or the University). The Association's revenue is derived primarily from student activity fees levied by a resolution of the Board of Director's of the University and collected by the College on the Association's behalf. The Association was incorporated on February 24, 1984.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Net Position

The Association'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 Association 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 Association or the passage of time.

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

At June 30, 2025 and 2024, the Association had no restricted net position.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents

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

(d) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expenses 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 Association 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 \$1,514,061 and \$1,393,744 at June 30, 2025 and 2024, 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 Association'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, furniture, 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 student activity fees. Fees that are collected prior to year-end, if any, relating to the subsequent year are recorded as unearned revenue.

(h) Donated Space

The Association operates on the campus of the College and, utilizes office space made available to it. The estimated 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 6).

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Subsequent Events

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

(k) Income Taxes

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

(3) Concentration of Credit Risk

(a) Custodial Credit Risk - Deposits

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2025, \$1,715,835 of the Association's \$1,965,835 bank balance was exposed to custodial credit risk. At June 30, 2024, \$2,165,844 of the Association's \$2,415,844 bank balance 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 Association will not be able to recover the value of its investment portfolio that is in the possession of that failed counterparty. At June 30, 2025 and 2024, the Association's entire investment portfolio balance of \$1,514,061 and \$1,393,744, respectively, was exposed to custodial credit risk, as it was uninsured and uncollateralized.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
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Notes to Financial Statements, Continued

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

The Association's investments in the CUNY investment pool are comprised of assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2025 and 2024, are comprised of the following:

	<u>2025</u>	<u>2024</u>
Investments in CUNY investment pool, short-term	\$ 60,562	55,750
Investments in CUNY investment pool, long-term	<u>1,453,499</u>	<u>1,337,994</u>
	\$ <u>1,514,061</u>	<u>1,393,744</u>

The following table summarizes the activity of investments for the years ended June 30, 2025 and 2024:

Balance at June 30, 2023	\$ 1,299,976
Interest and dividends	20,686
Realized gains	18,920
Unrealized gains	<u>54,162</u>
Balance at June 30, 2024	1,393,744
Interest and dividends	23,667
Realized gains	25,016
Unrealized gains	<u>71,634</u>
Balance at June 30, 2025	\$ <u>1,514,061</u>

A summary of investment income from the CUNY investment pool for the years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 23,667	20,686
Realized gains	25,016	18,920
Unrealized gains	<u>71,634</u>	<u>54,162</u>
Total investment income	\$ <u>120,317</u>	<u>93,768</u>

HERBERT H. LEHMAN COLLEGE ASSOCIATION
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Notes to Financial Statements, Continued

(5) Capital Assets

At June 30, 2025 and 2024, capital assets consisted of the following:

	<u>2025</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 158,708	-	-	158,708
Less accumulated depreciation	<u>(158,708)</u>	<u>-</u>	<u>-</u>	<u>(158,708)</u>
Capital assets, net	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2024</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 158,708	-	-	158,708
Less accumulated depreciation	<u>(158,708)</u>	<u>-</u>	<u>-</u>	<u>(158,708)</u>
Capital assets, net	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(6) Donated Space

The Association 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. The value of the donated facilities amounted to \$927,480 for the years ended June 30, 2025 and 2024.

(7) Related Party Transactions

At June 30, 2025 and 2024, the Association was due a total of \$877,982 and \$887,511, respectively, from Lehman College, CUNY Research Foundation (CUNY RF) and Lehman College Auxiliary Enterprise Corporation. The Association is occasionally required to transfer funds to/from Lehman College, CUNY RF and other related entities during the course of the year for payroll, reimbursements and other such costs.

The Association has invested \$1,514,061 and \$1,393,744 as of June 30, 2025 and 2024, respectively, in the CUNY investment pool (note 4).

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Notes to Financial Statements, Continued

(8) Deposits Held in Custody for Others

At June 30, 2025 and 2024, the Association held \$28,559 and \$29,991, respectively, which related to deposits held in custody for others, and is comprised of funds which are held on behalf of various other Lehman College departments.

(9) Board Designated Net Position

At June 30, 2025 and 2024, the board designated net position consisted of the following:

	<u>2025</u>	<u>2024</u>
Student late building renovations	\$ 1,113,295	1,132,030
Emergency loan fund	14,954	14,954
Student health care center	<u>150,000</u>	<u>150,000</u>
	\$ <u>1,278,249</u>	<u>1,296,984</u>

(10) Accounting Standards Issued But Not Yet Implemented

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

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.