

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

Financial Statements and
Supplementary Information

June 30, 2018 and 2017

(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 Financial Statements

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, 2018 and 2017, and the related notes to financial statements, which collectively comprise the Association'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 Association'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 Association'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 Herbert H. Lehman College Association for Campus Activities, Inc. as of June 30, 2018 and 2017, 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 discussion and analysis on pages 3 through 9 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 1, 2018

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

Management Discussion and Analysis

June 30, 2018

The intent of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) Management 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 year ended June 30, 2018. 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 was \$2,148,986 increasing \$168,317 or 8.5% from the prior fiscal year.
- Operating revenue was \$3,310,584 increasing \$138,061 or 4.4% from the prior fiscal year.
- Operating expenses were \$3,130,409 increasing \$284,204 or 10.0% 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, 2018. 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 a financial snapshot of the Association to determine the assets available to continue the operations of the Association. 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 Discussion and Analysis, Continued

Statements of Net Position

The following summarizes the Association's assets, liabilities and net position as of June 30, 2018 and 2017, under the accrual basis of accounting:

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 1,503,455	1,374,011	129,444	9.4%
Noncurrent assets	<u>949,758</u>	<u>898,197</u>	<u>51,561</u>	<u>5.7%</u>
Total assets	<u>2,453,213</u>	<u>2,272,208</u>	<u>181,005</u>	<u>8.0%</u>
Current liabilities	<u>304,227</u>	<u>291,539</u>	<u>12,688</u>	<u>4.4%</u>
Net position:				
Net investment in capital assets	5,096	10,990	(5,894)	(53.6%)
Restricted - expendable	429,193	302,014	127,179	42.1%
Unrestricted:				
Board designated	1,296,984	1,146,984	150,000	13.1%
Undesignated	<u>417,713</u>	<u>520,681</u>	<u>(102,968)</u>	<u>(19.8%)</u>
Total net position	<u>\$ 2,148,986</u>	<u>1,980,669</u>	<u>168,317</u>	<u>8.5%</u>

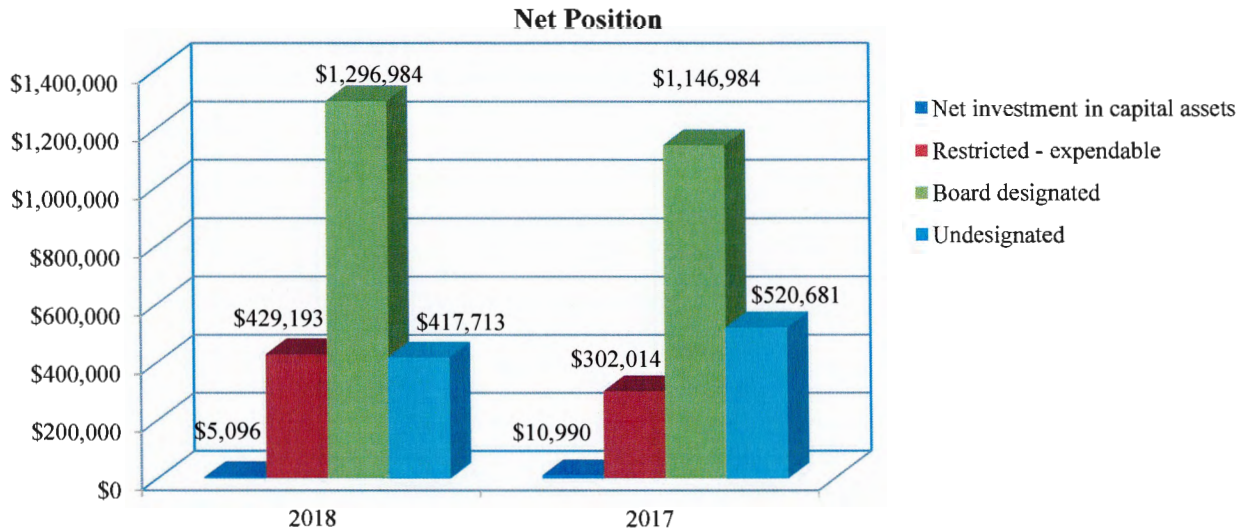
At June 30, 2018, the Association's total net position increased by \$168,317 or 8.5%, over the prior fiscal year. This increase was primarily due to increases in student activity fee revenue due to increases in student enrollment. Restricted-expendable increased by 42.1% reflecting the addition of unused earmarked student activity fee monies that were not used in fiscal year 2018, and are restricted for the future use of these programs. Board designated net position increased by \$150,000 due to an additional \$150,000 being designated for the student health care center. At June 30, 2018, total board designated net position was \$1,296,984 and total net position was \$2,148,986.

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

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

Management Discussion and Analysis, Continued

The following illustrates the Association's net position at June 30, 2018 and 2017 by category:



Statements of Revenue, Expenses and Changes in Net Position

The statements of revenue, expenses and changes in net position present the operating results of the Association, as well as nonoperating revenue and expenses, if any. The major components of revenue and expenses for the years ended June 30, 2018 and 2017 are as follows:

Revenue

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 2,461,362	2,327,411	133,951	5.8%
Donated space	811,545	811,545	-	-
Other	<u>37,677</u>	<u>33,567</u>	<u>4,110</u>	<u>12.2%</u>
Total operating revenue	3,310,584	3,172,523	138,061	4.4%
Nonoperating revenue	<u>68,798</u>	<u>107,108</u>	<u>(38,310)</u>	<u>(35.8%)</u>
Total revenue	\$ <u>3,379,382</u>	<u>3,279,631</u>	<u>99,751</u>	<u>3.0%</u>

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

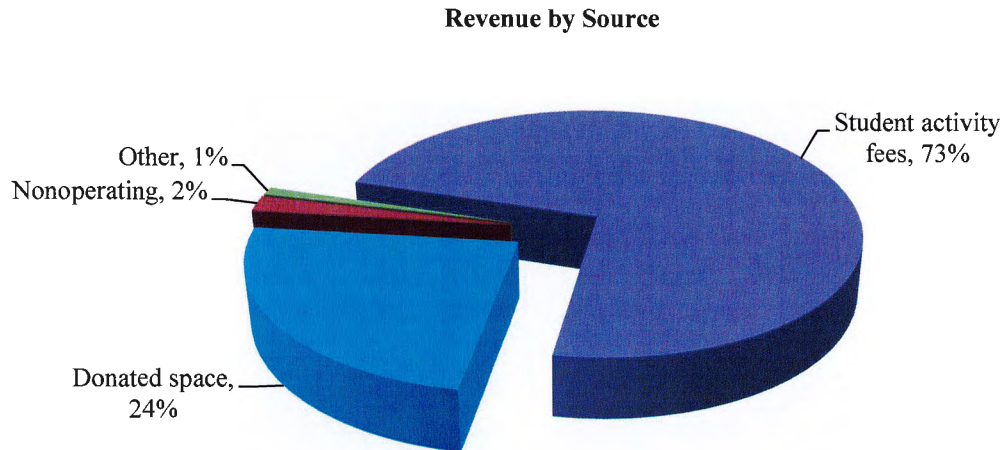
Management Discussion and Analysis, Continued

The Association's total revenue, operating and nonoperating, for the year ended June 30, 2018 was \$3,379,382, an increase of \$99,751 or 3.0%, compared to the prior fiscal year. The primary components of this variance was a 5.8% increase in student activity fees due to the increase in enrollment.

Student activity fees represented approximately 73% 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, 2018:



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FOR CAMPUS ACTIVITIES, INC.

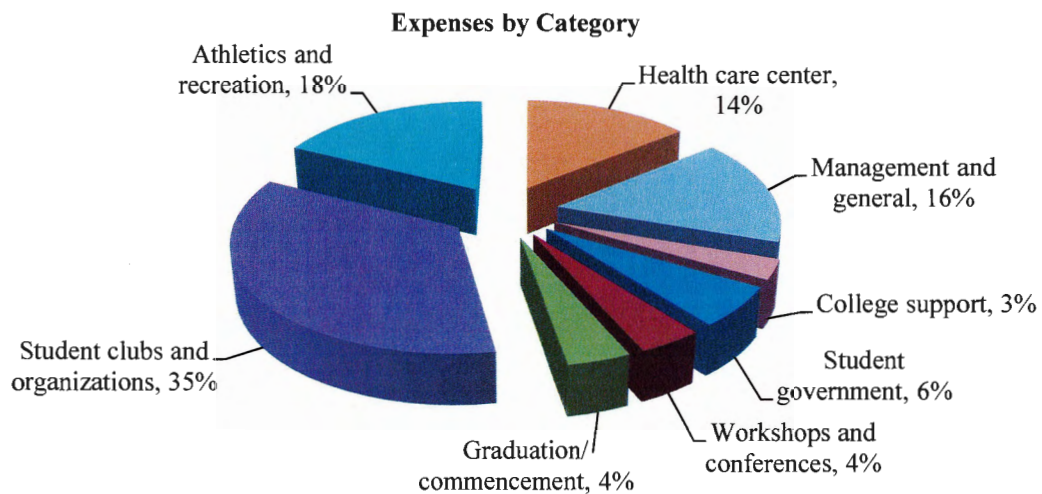
Management Discussion and Analysis, Continued

Expenses

	<u>2018</u>	<u>2017</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 203,219	129,659	73,560	56.7%
Communications media	6,003	5,701	302	5.3%
Workshops and conferences	137,824	123,144	14,680	11.9%
Graduation/commencement	125,329	88,805	36,524	41.1%
Student clubs and organizations	1,119,539	1,052,372	67,167	6.4%
Athletics and recreation	565,175	559,460	5,715	1.0%
Health care center	459,394	381,512	77,882	20.4%
Management and general	508,032	499,657	8,375	1.7%
Depreciation	<u>5,894</u>	<u>5,895</u>	<u>(1)</u>	<u>(0.1%)</u>
Total operating expenses	3,130,409	2,846,205	284,204	10.0%
Nonoperating expenses - College support	<u>80,656</u>	<u>88,867</u>	<u>(8,211)</u>	<u>(9.2%)</u>
Total expenses	\$ <u>3,211,065</u>	<u>2,935,072</u>	<u>275,993</u>	<u>9.4%</u>

Total expenses, operating and nonoperating, for the year ended June 30, 2018 were \$3,211,065, an increase of \$275,993 or 9.4%, compared to the prior fiscal year. These increases are largely due to an increase in program activities and related costs, as a result of the increase in student activity fees and the addition of new earmarks that were effective in the fall semester 2017. Fiscal year 2018 represented the first full year in which these program activities had access to these funds and spending increased accordingly. In addition, some programs utilized their unspent earmarked monies from fiscal year 2017, further adding to the expenses that are noted.

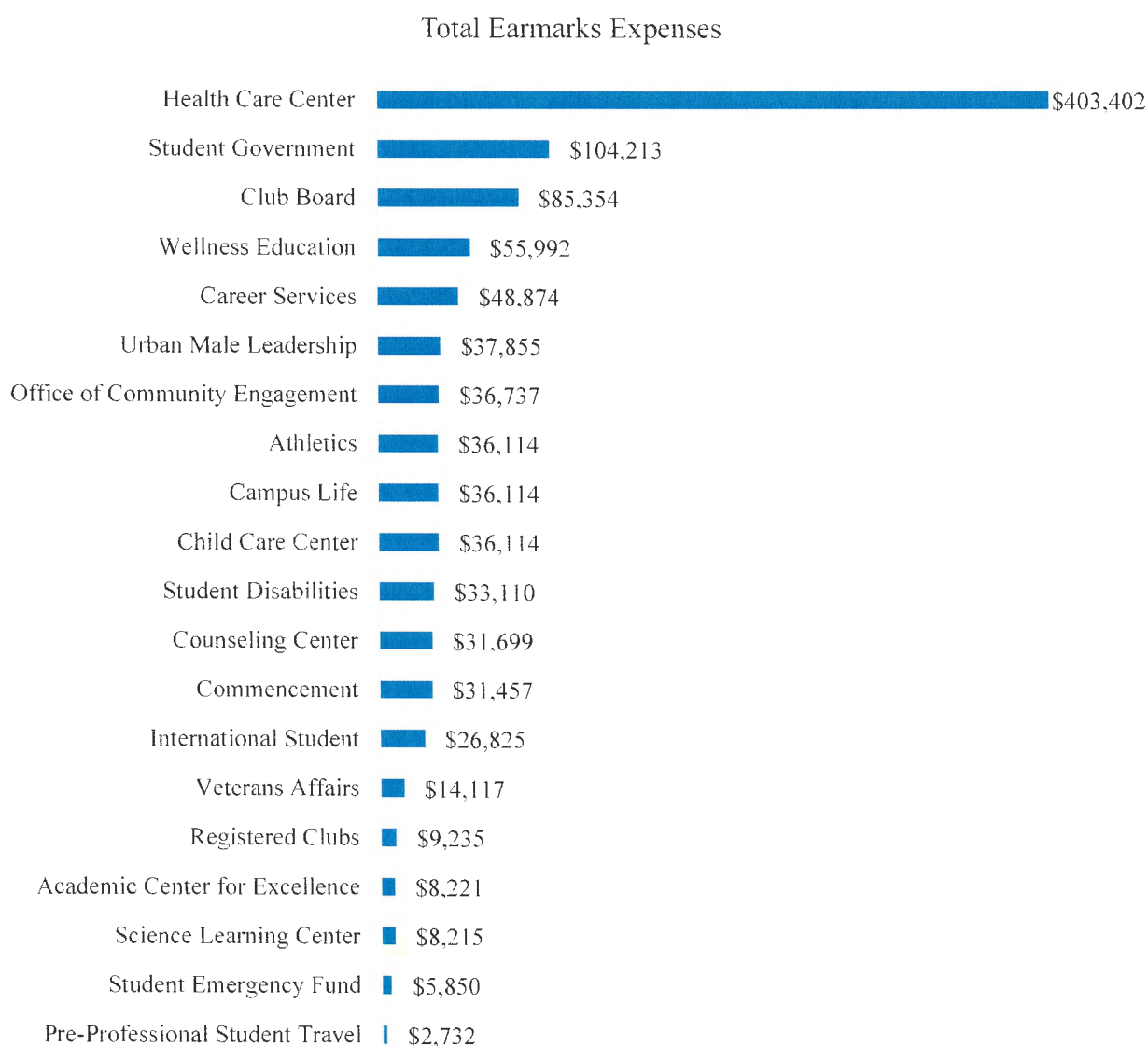
The following illustrates the Association's total expenses by category for the year ended June 30, 2018.



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FOR CAMPUS ACTIVITIES, INC.

Management Discussion and Analysis, Continued

The following graph shows the amount student activity earmarks utilized during June 30, 2018.



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

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

Management Discussion and Analysis, Continued

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. Net cash used in operating activities was (\$19,903), net cash used in noncapital financing activities was (\$67,139), and net cash provided by investing activities was \$470.

Economic Factors That May Affect the Future

There are no known economic factors that may influence the future, with the exception of student enrollment, which directly relates to the amount of revenue earned, as well as related expenses incurred.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Net Position
June 30, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and equivalents	\$ 709,414	795,986
Investments in CUNY investment pool, short-term (note 4)	49,719	46,695
Due from related parties (note 7)	728,699	512,485
Student loans receivable	2,403	2,403
Prepaid expenses	13,220	16,442
Total current assets	<u>1,503,455</u>	<u>1,374,011</u>
Noncurrent assets:		
Investments in CUNY investment pool, long-term (note 4)	944,662	887,207
Capital assets, net (note 5)	5,096	10,990
Total noncurrent assets	<u>949,758</u>	<u>898,197</u>
Total assets	<u>2,453,213</u>	<u>2,272,208</u>
 <u>Liabilities</u> 		
Current liabilities:		
Accounts payable and accrued expenses	169,701	207,627
Unearned revenue	62,118	17,172
Deposits held in custody for others, net (note 8)	72,408	66,740
Total current liabilities	<u>304,227</u>	<u>291,539</u>
 <u>Net Position</u> 		
Net investment in capital assets	5,096	10,990
Restricted - expendable	429,193	302,014
Unrestricted - board designated (note 9)	1,296,984	1,146,984
Unrestricted - undesignated	417,713	520,681
Total net position	<u>\$ 2,148,986</u>	<u>1,980,669</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue:		
Student activity fees	\$ 2,461,362	2,327,411
Donated space (note 6)	811,545	811,545
Other	<u>37,677</u>	<u>33,567</u>
Total operating revenue	<u>3,310,584</u>	<u>3,172,523</u>
Operating expenses:		
Student government	203,219	129,659
Communications media	6,003	5,701
Workshops and conferences	137,824	123,144
Graduation/commencement	125,329	88,805
Student clubs and organizations	1,119,539	1,052,372
Athletics and recreation	565,175	559,460
Health care center	459,394	381,512
Management and general	508,032	499,657
Depreciation	<u>5,894</u>	<u>5,895</u>
Total operating expenses	<u>3,130,409</u>	<u>2,846,205</u>
Income from operations	<u>180,175</u>	<u>326,318</u>
Nonoperating revenue (expenses):		
Interest income	4,692	2,549
Net gains on investments	56,257	98,731
Contributions	7,849	5,828
College support	<u>(80,656)</u>	<u>(88,867)</u>
Total nonoperating revenue (expense), net	<u>(11,858)</u>	<u>18,241</u>
Increase in net position	168,317	344,559
Net position at beginning of year	<u>1,980,669</u>	<u>1,636,110</u>
Net position at end of year	<u>\$ 2,148,986</u>	<u>1,980,669</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows
Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 2,439,255	2,291,689
Other	37,677	27,668
Cash payments to/for:		
Salaries, benefits and taxes	(1,496,555)	(1,139,323)
Conferences, conventions and meeting	(152,540)	(156,553)
Vendors and other	<u>(847,740)</u>	<u>(517,599)</u>
Net cash provided by (used in) operating activities	<u>(19,903)</u>	<u>505,882</u>
Cash flows from noncapital financing activities:		
Increase (decrease) in deposits held in custody for others	5,668	(4,393)
College support	(80,656)	(88,867)
Contributions	<u>7,849</u>	<u>5,828</u>
Net cash used in noncapital financing activities	<u>(67,139)</u>	<u>(87,432)</u>
Cash flows from investing activities:		
Interest income	4,692	2,549
Reinvestment of interest received	<u>(4,222)</u>	<u>(2,119)</u>
Net cash provided by investing activities	<u>470</u>	<u>430</u>
Net increase (decrease) in cash and equivalents	(86,572)	418,880
Cash and equivalents at beginning of year	<u>795,986</u>	<u>377,106</u>
Cash and equivalents at end of year	<u>\$ 709,414</u>	<u>795,986</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2018</u>	<u>2017</u>
Reconciliation of income from operations to net cash provided by (used in) operating activities:		
Income from operations	\$ 180,175	326,318
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:		
Depreciation	5,894	5,895
Changes in:		
Due from related parties	(216,214)	53,351
Prepaid expenses	3,222	(2,042)
Accounts payable and accrued expenses	(37,926)	105,188
Unearned revenue	<u>44,946</u>	<u>17,172</u>
Net cash provided by (used in) operating activities	<u>\$ (19,903)</u>	<u>505,882</u>
Supplemental schedule of cash flow information:		
Donated space revenue	<u>\$ 811,545</u>	<u>811,545</u>
Donated space expense	<u>\$ 811,545</u>	<u>811,545</u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2018 and 2017

(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, 2018, the Association had a restricted - expendable net position balance of \$429,193.

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

(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 \$994,381 and \$933,902 at June 30, 2018 and 2017, 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 two years and a cost or value at the time of receipt of \$1,000 or more for computer hardware and \$5,000 or more for all other furniture and 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 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.

(l) Reclassifications

Reclassifications have been made to certain 2017 balances in order to conform them to the 2018 presentation.

(3) Cash and Equivalents and Investments

(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, 2018, \$488,974 of the Association's \$738,974 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, 2018, the Association's entire investment portfolio balance of \$994,381 was exposed to custodial credit risk, as it was uninsured and uncollateralized.

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

Notes to Financial Statements, Continued

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

The Association's investments in the investment pool comprise assets which are pooled and invested by and under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY. Pooled investments include equity and fixed income securities. Investments as of June 30, 2018 and 2017, are comprised of the following:

	<u>2018</u>	<u>2017</u>
Investments in CUNY investment pool, short-term	\$ 49,719	46,695
Investments in CUNY investment pool, long-term	<u>944,662</u>	<u>887,207</u>
	<u>\$ 994,381</u>	<u>933,902</u>

The following table summarizes the activity for financial instruments in 2018 and 2017:

Balance at July 1, 2016	\$ 833,052
Interest and dividends	2,119
Realized gains	9,405
Unrealized gains	<u>89,326</u>
Balance at June 30, 2017	933,902
Interest and dividends	4,222
Realized gains	14,435
Unrealized gains	<u>41,822</u>
Balance at June 30, 2018	<u>\$ 994,381</u>

A summary of investment gain for the years ended June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 4,222	2,119
Realized gains	14,435	9,405
Unrealized gains	<u>41,822</u>	<u>89,326</u>
Total investment gain	<u>\$ 60,479</u>	<u>100,850</u>

(5) Capital Assets

At June 30, 2018 and 2017, capital assets consisted of the following:

	<u>2018</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 221,059	-	-	221,059
Less accumulated depreciation	(210,069)	(5,894)	-	(215,963)
Capital assets, net	<u>\$ 10,990</u>	<u>(5,894)</u>	<u>-</u>	<u>5,096</u>

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

Notes to Financial Statements, Continued

(5) Capital Assets, Continued

	2017			
	Beginning balance	Additions	Disposals	Ending balance
Furniture and equipment	\$ 221,059	-	-	221,059
Less accumulated depreciation	(204,174)	(5,895)	-	(210,069)
Capital assets, net	\$ <u>16,885</u>	(5,895)	-	<u>10,990</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 \$811,545 for the years ended June 30, 2018 and 2017.

(7) Related Party Transactions

At June 30, 2018 and 2017, the Association was owed \$728,699 and \$512,485, respectively, from Lehman College. The Association is occasionally required to transfer funds to/from Lehman College during the course of the year for payroll reimbursement and other costs.

The Association has invested \$994,381 and \$933,902 as of June 30, 2018 and 2017, respectively, in the CUNY Investment Pool (note 4).

(8) Deposits Held in Custody for Others

At June 30, 2018 and 2017, the Association held \$72,408 and \$66,740, 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

As of June 30, 2018, the board designated net position amounted to \$1,296,984, of which \$1,132,030 is for Student Life Building renovation, \$14,954 for Emergency Loan fund and \$150,000 for the Student Health Care Center.

As of June 30, 2017, the board designated net position amounted to \$1,146,984, of which \$1,132,030 is for Student Life Building renovation and \$14,954 for Emergency Loan fund.