

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

**Financial Statements and
Supplementary Information**

June 30, 2015 and 2014

(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, 2015 and 2014, 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, 2015 and 2014, 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 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Toski & Co., CPAs, P.C.

Williamsville, New York
October 5, 2015

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

Management's Discussion and Analysis

June 30, 2015 and 2014

The Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) is pleased to present its financial statements for fiscal year 2015 with fiscal year 2014 prior-year data for comparative purposes. There are three financial statements presented for each fiscal year. The Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; and Statement of Cash Flows.

The Management, Discussion and Analysis of the Association's financial statements provide an overview of its financial activities for the year. This discussion and analysis has been prepared by management and is designed to focus on current activities and currently known facts.

Financial Highlights

- The Association's net position decreased by \$816,289 or 37.7% from the prior fiscal year.
- Operating revenue increased \$39,393 or 1.6% from the prior fiscal year.
- Operating expenses decreased \$150,444 or 6.2%.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the Association for the fiscal year ended June 30, 2015. The purpose of the Statement of Net Position is to present to the readers of the financial statements a financial snapshot of the Association. 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 and unrestricted). From the data presented, readers of the Statement of Net Position are able 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). The statement of net position provides a picture of the Association's financial ability to maintain its operations.

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

Management's Discussion and Analysis, Continued

Statements of Net Position

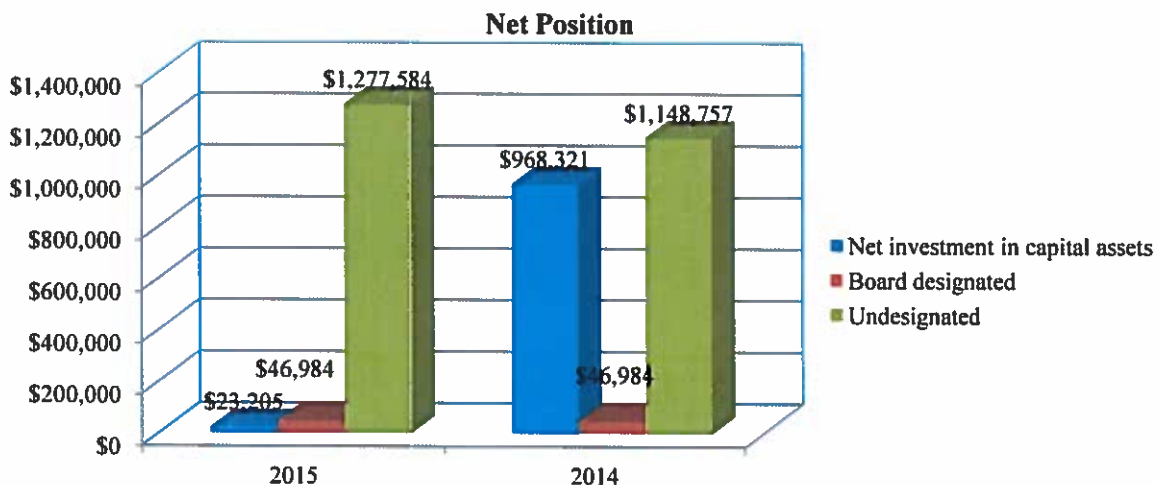
The following summarizes the Association's assets, liabilities, and net position as of June 30, 2015 and 2014, under the accrual basis of accounting:

	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 827,890	603,244	224,646	37.2%
Noncurrent assets	<u>875,965</u>	<u>1,835,675</u>	<u>(959,710)</u>	<u>(52.3%)</u>
Total assets	<u>1,703,855</u>	<u>2,438,919</u>	<u>(735,064)</u>	<u>(30.1%)</u>
Current liabilities	<u>356,082</u>	<u>274,857</u>	<u>81,225</u>	29.6%
Net position:				
Net investment in capital assets	23,205	968,321	(945,116)	(97.6%)
Unrestricted:				
Board designated	46,984	46,984	-	-
Undesignated	<u>1,277,584</u>	<u>1,148,757</u>	<u>128,827</u>	11.2%
Total net position	<u>\$ 1,347,773</u>	<u>2,164,062</u>	<u>(816,289)</u>	<u>(37.7%)</u>

At June 30, 2015, the Association's total net position decreased by \$816,289 or 37.7%, compared to the prior fiscal year. The majority of this variance was attributable to a decrease in net investment in capital assets of \$945,116 and an increase in current liabilities of \$81,225. Driving the decrease was a transfer of \$950,000 to the Office of the University Controller (OUC) due to the completion of the renovations of the Student Life building in December 2014.

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

The following illustrates the Association's net position at June 30, 2015 and 2014 by category:



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 and expenses for the years ended June 30, 2015 and 2014 are as follows:

Revenue

	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 1,740,171	1,692,684	47,487	2.8%
Donated space and services and other	<u>729,805</u>	<u>737,899</u>	<u>(8,094)</u>	(1.1%)
Total operating revenue	2,469,976	2,430,583	39,393	1.6%
Nonoperating revenue	<u>39,549</u>	<u>130,154</u>	<u>(90,605)</u>	(69.6%)
Total revenue	\$ <u>2,509,525</u>	<u>2,560,737</u>	<u>(51,212)</u>	(2.0%)

The Association's total revenue for the year ended June 30, 2015 amounted to \$2,509,525, a decrease of \$51,212 or 2.0%, compared to the previous fiscal year. The primary components of this variance was a decrease in nonoperating revenue due to declines in unrealized/realized investment earnings. Student activity fee revenue increased \$47,487 from the previous fiscal year which was consistent with enrollment.

Student activity fees represented approximately 69% 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 revenue, by source, for the year ended June 30, 2015:



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

Management's Discussion and Analysis, Continued

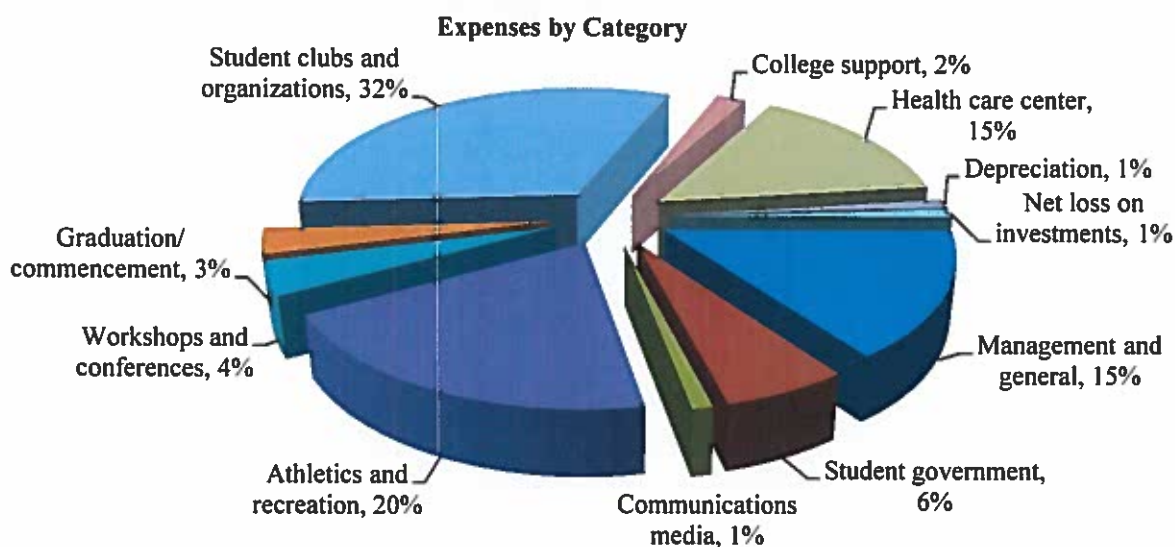
Expenses

	<u>2015</u>	<u>2014</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 144,021	181,219	(37,198)	(20.5%)
Communications media	3,054	4,566	(1,512)	(33.1%)
Workshops and conferences	94,931	102,362	(7,431)	(7.3%)
Graduation/commencement	66,422	70,638	(4,216)	(6.0%)
Student clubs and organizations	767,198	769,770	(2,572)	(0.3%)
Athletics and recreation	472,991	478,695	(5,704)	(1.2%)
Health care center	368,852	400,297	(31,445)	(7.9%)
Management and general	367,171	427,537	(60,366)	(14.1%)
Depreciation	<u>4,453</u>	<u>4,453</u>	<u>-</u>	<u>-</u>
Total operating expenses	2,289,093	2,439,537	(150,444)	(6.2%)
Nonoperating expenses:				
College support	66,000	75,392	(9,392)	(12.5%)
Net loss on investments	<u>20,721</u>	<u>-</u>	<u>20,721</u>	100.0%
Total expenses	\$ <u>2,375,814</u>	<u>2,514,929</u>	<u>(139,115)</u>	<u>(5.5%)</u>

Total expenses for the year ended June 30, 2015 were \$2,375,814, a decrease of \$139,115 or 5.5%, compared to the previous fiscal year. The major component of this variance is a decrease in overall operating expenses for the student association and most specifically in management and general due to one-time purchases in fiscal year 2014 for the student life building.

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

The following illustrates the Association's expenses, by category, for the year ended June 30, 2015:

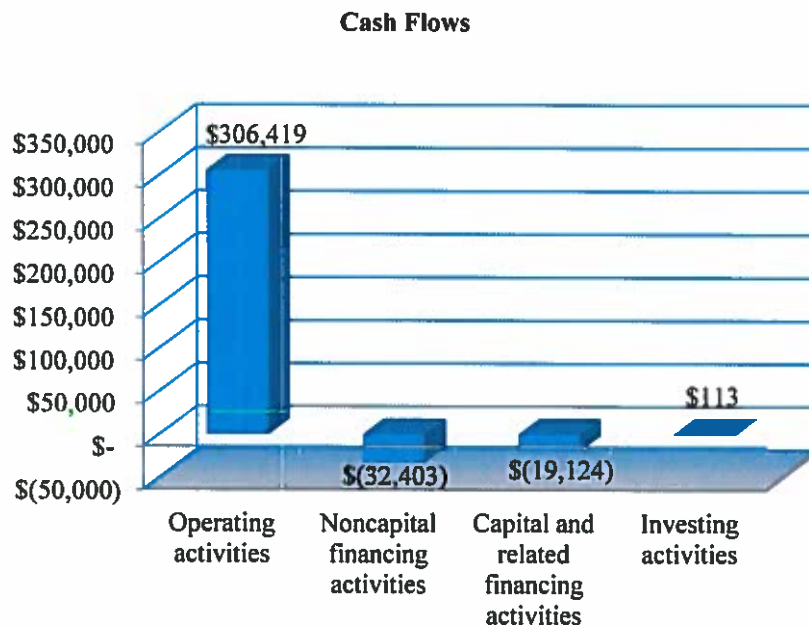


HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. 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, 2015:



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, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and equivalents	\$ 354,238	99,233
Due from related parties	452,169	492,548
Student loans receivable	11,687	2,403
Prepaid expenses	9,796	9,060
Total current assets	827,890	603,244
Noncurrent assets:		
Investments, at fair value	852,760	867,354
Capital assets, net	23,205	968,321
Total noncurrent assets	875,965	1,835,675
Total assets	1,703,855	2,438,919
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	181,109	198,664
Unearned revenue	100,421	1,929
Deposits held in custody for others, net	74,552	74,264
Total current liabilities	356,082	274,857
<u>Net Position</u>		
Net investment in capital assets	23,205	968,321
Unrestricted:		
Board designated	46,984	46,984
Undesignated	1,277,584	1,148,757
Total net position	\$ 1,347,773	2,164,062

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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenue:		
Student activity fees	\$ 1,740,171	1,692,684
Donated space and services	695,610	695,610
Other	<u>34,195</u>	<u>42,289</u>
Total operating revenue	<u>2,469,976</u>	<u>2,430,583</u>
Operating expenses:		
Student government	144,021	181,219
Communications media	3,054	4,566
Workshops and conferences	94,931	102,362
Graduation/commencement	66,422	70,638
Student clubs and organizations	767,198	769,770
Athletics and recreation	472,991	478,695
Health care center	368,852	400,297
Management and general	367,171	427,537
Depreciation	<u>4,453</u>	<u>4,453</u>
Total operating expenses	<u>2,289,093</u>	<u>2,439,537</u>
Income (loss) from operations	<u>180,883</u>	<u>(8,954)</u>
Nonoperating revenue (expenses):		
Interest income	6,240	6,694
Net gain (loss) on investments	(20,721)	116,399
Contributions	33,309	7,061
College support	<u>(66,000)</u>	<u>(75,392)</u>
Total nonoperating revenue (expense), net	<u>(47,172)</u>	<u>54,762</u>
Increase in net position	133,711	45,808
Net position at beginning of year	2,164,062	2,118,254
Transfer to OUC	<u>(950,000)</u>	<u>-</u>
Net position at end of year	<u>\$ 1,347,773</u>	<u>2,164,062</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION
FOR CAMPUS ACTIVITIES, INC.
Statements of Cash Flows
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 1,791,852	1,282,731
Other	24,911	42,289
Cash payments to/for:		
Salaries, benefits and taxes	(917,193)	(862,427)
Conferences, conventions and meeting	(114,188)	(119,721)
Vendors and other	<u>(478,963)</u>	<u>(669,835)</u>
Net cash provided by (used in) operating activities	<u>306,419</u>	<u>(326,963)</u>
Cash flows from noncapital financing activities:		
Proceeds from deposits held in custody for others	288	5,824
Collegé support	(66,000)	(75,392)
Contributions	<u>33,309</u>	<u>7,061</u>
Net cash used in noncapital financing activities	<u>(32,403)</u>	<u>(62,507)</u>
Cash flows from capital and related financing activities - purchase of capital assets	<u>(19,124)</u>	<u>(20,136)</u>
Cash flows from investing activities:		
Interest income	6,240	6,694
Reinvestment of interest received	(6,127)	(6,611)
Proceeds from sale of investments	<u>-</u>	<u>292,000</u>
Net cash provided by investing activities	<u>113</u>	<u>292,083</u>
Net increase (decrease) in cash and equivalents	255,005	(117,523)
Cash and equivalents at beginning of year	<u>99,233</u>	<u>216,756</u>
Cash and equivalents at end of year	<u>\$ 354,238</u>	<u>99,233</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2015</u>	<u>2014</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ 180,883	(8,954)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation expense	4,453	4,453
Changes in:		
Due from Lehman College	40,379	(301,623)
Student loans receivable	(9,284)	-
Prepaid expenses	(736)	(98)
Accounts payable and accrued expenses	(7,768)	61,822
Unearned revenue	<u>98,492</u>	<u>(82,563)</u>
Net cash provided by (used in) operating activities	<u>\$ 306,419</u>	<u>(326,963)</u>
Supplemental schedule of cash flow information:		
Donated space and services revenue	<u>\$ 695,610</u>	<u>695,610</u>
Donated space and services expense	<u>\$ 695,610</u>	<u>695,610</u>
Furniture and equipment financed by accounts payable	<u>\$ -</u>	<u>9,787</u>
Disposal of fully depreciated furniture and equipment	<u>\$ 4,314</u>	<u>-</u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2015 and 2014

(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 government 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) Accounting Pronouncements

The significant GASB standards followed by the Association are summarized below:

- GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement amends the net asset reporting requirements in Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.
- GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) 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, 2015, the Association had no restricted net position.

(d) Cash and Equivalents

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

(e) 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.

(f) Investments

The Association records its investments at fair value based on quoted market prices, with changes in fair value of investments recorded in the statements of revenue, expenses and changes in net position.

(g) 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.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies. Continued

(h) 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.

(i) Donated Space and Services

The Association operates on the campus of the College and, utilizes office space and certain services made available to it. The cost savings associated with such arrangements are recorded as donated space and services and are recognized as revenue and expenses in the accompanying financial statements based on the fair value of such facilities and services (note 5).

(j) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(l) 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.

(m) 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. The Association is no longer subject to tax examination for the years ended June 30, 2011, and prior.

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

Notes to Financial Statements, Continued

(3) Cash and Equivalents and Investments

(a) Custodial Credit Risk - Deposits

Custodial credit risk of deposits is the risk that the Association's deposits may not be returned in the event of a bank failure. At June 30, 2015, none of the Association's 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, 2015, the Association's entire investment portfolio balance of \$852,760 was exposed to custodial credit risk, as it was uninsured and uncollateralized. The Association's investments amounting to \$852,760 and \$867,354 at June 30, 2015 and 2014, respectively, are 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). 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.

(4) Capital Assets

At June 30, 2015 and 2014, capital assets consisted of the following:

	2015				
	Beginning balance	Additions	Transfers	Disposals	Ending balance
Construction in progress	\$ 950,000	-	(950,000)	-	-
Furniture and equipment	216,036	9,337	-	(4,314)	221,059
Less accumulated depreciation	(197,715)	(4,453)	-	4,314	(197,854)
Capital assets, net	<u>\$ 968,321</u>	<u>4,884</u>	<u>(950,000)</u>	<u>-</u>	<u>23,205</u>
	2014				
	Beginning balance	Additions	Transfers	Disposals	Ending balance
Construction in progress	\$ 950,000	-	-	-	950,000
Furniture and equipment	195,900	20,136	-	-	216,036
Less accumulated depreciation	(193,262)	(4,453)	-	-	(197,715)
Capital assets, net	<u>\$ 952,638</u>	<u>15,683</u>	<u>-</u>	<u>-</u>	<u>968,321</u>

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

Notes to Financial Statements, Continued

(5) Donated Space and Services

The Association utilizes certain facilities and professional services provided by the College. The estimated fair values of facilities and salaries are included in the accompanying statements of revenue, expenses and changes in net position. Professional services and facilities amounted to \$695,610 for the years ended June 30, 2015 and 2014.

(6) Related Party Transactions

At June 30, 2015 and 2014, the Association was owed \$452,169 and \$492,548, 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 \$852,760 and \$867,354 as of June 30, 2015 and 2014, respectively, in the CUNY Investment Pool (note 3(b)).

During 2012, the Association paid \$950,000 to the City University Construction Fund for the Student Life Building renovations, which was included as construction in progress in the capital assets. In fiscal year 2015, the project was completed and transferred to the Office of the University Controller.

(7) Deposits Held in Custody for Others

At June 30, 2015 and 2014, the Association held \$74,552 and \$74,264, 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.

(8) Board Designated Net Position

At June 30, 2009, Board of Directors of the Association designated \$1,500,000 of unrestricted funds as a reserve for renovation and furniture of the Student Life Building. As of June 30, 2015 and 2014, the balance of this fund is \$46,984 of which \$32,039 is for Student Life Building renovation (note 6) and \$14,945 for Emergency Loan fund.

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

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented

- GASB Statement No. 72 - "Fair Value Measurement and Application." This Statement, which was issued in February 2015, provides guidance regarding accounting and financial reporting issues related to fair value measurements for certain investments and disclosures related to fair value measurements. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015 for the Association. This Statement is being evaluated for its effect on the financial statements of the Association.
- GASB Statement No. 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This Statement, issued in June 2015, establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions," as well as requirements for the assets accumulated for purposes of providing those pensions. The requirements of this Statement for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016. Requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions as well as the requirements for pension plans within the scope of Statements 67 and 68 are effective for fiscal years beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement, issued in June 2015, replaces existing standards of accounting and financial reporting for postemployment benefit plans other than pension plans and also replaces existing requirements for defined contribution OPEB plans. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016, which is the fiscal year beginning July 1, 2016 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.
- GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning July 1, 2017 for the Association. This Statement is not expected to have a material effect on the financial statements of the Association.

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

Notes to Financial Statements, Continued

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

- GASB Statement No. 76 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This Statement, issued in June 2015, supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements for this Statement are effective for financial statements for periods beginning after June 15, 2015, which is the fiscal year beginning July 1, 2015 for the Association. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Association.