

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

Financial Statements and  
Supplementary Information

June 30, 2011 and 2010

(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.:

We have audited the accompanying statement of net assets of Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) as of June 30, 2011, and the related statements of revenue, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Herbert H. Lehman College Association for Campus Activities, Inc. as of June 30, 2010 were audited by other auditors, whose report dated April 26, 2011 expressed an unqualified opinion on those statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Herbert H. Lehman College Association for Campus Activities, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 6 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  
August 11, 2011

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

Management's Discussion and Analysis

June 30, 2011 and 2010

The Herbert H. Lehman College Association for Campus Activities, Inc. (the Association) is pleased to present its financial statements for fiscal year 2011 with fiscal year 2010 prior-year data for comparative purposes. There are three financial statements presented for each fiscal year. The Statement of Net Assets; Statement of Revenue, Expenses and Changes in Net Assets; and Statement of Cash Flows.

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

**Financial Highlights**

- The Association's net assets increased by \$426,207 or 25.7%.
- Operating revenue increased by \$580,875 or 32.8%.
- Operating expenses increased slightly by \$331,183 or 17.6%.

**Statement of Net Assets**

The Statement of Net Assets presents the assets, liabilities, and net assets of the Association as of the end of each fiscal year. The purpose of the Statement of Net Assets is to present to the readers of the financial statements a financial snapshot of the Association. The Statement of Net Assets presents end-of-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net assets (fund balances). From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the organization. They are also able to determine how much the institution owes vendors (accounts payable); and, finally, the Statement of Net Assets provides a picture of the net assets and their availability for expenditure by the Association.

**Statements of Net Assets**

The following summarizes the Association's assets, liabilities, and net assets as of June 30, 2011 and 2010, under the accrual basis of accounting:

	<u>2011</u>	<u>2010</u>	<u>Dollar change</u>	<u>Percent change</u>
Assets:				
Current assets	\$ 322,284	283,239	39,045	13.8%
Noncurrent assets	<u>1,953,929</u>	<u>1,618,230</u>	<u>335,699</u>	20.7%
Total assets	\$ <u>2,276,213</u>	<u>1,901,469</u>	<u>374,744</u>	19.7%
Current liabilities	\$ <u>190,238</u>	<u>241,701</u>	<u>(51,463)</u>	(21.3%)

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

Management's Discussion and Analysis, Continued

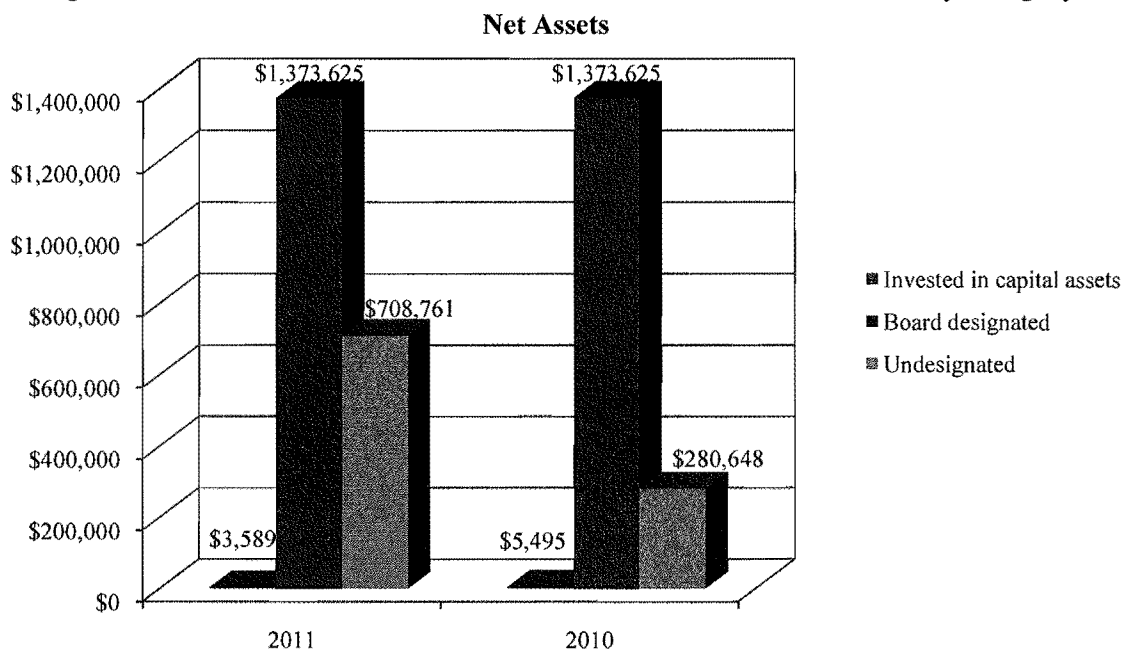
	<u>2011</u>	<u>2010</u>	<u>Dollar change</u>	<u>Percent change</u>
Net assets:				
Invested in capital assets	\$ 3,589	5,495	(1,906)	(34.7%)
Unrestricted:				
Board designated	1,373,625	1,373,625	-	0%
Undesignated	<u>708,761</u>	<u>280,648</u>	<u>428,113</u>	152.5%
Total net assets	<u>\$ 2,085,975</u>	<u>1,659,768</u>	<u>426,207</u>	25.7%

At June 30, 2011, the Association's total net assets increased by \$426,207 or 25.7%, compared to the previous year. The majority of this variance was attributable to increases in cash and cash equivalents and long-term investments of \$56,230 and \$337,605, respectively. Cash and cash equivalents primarily increased due to the increase in enrollment and some planned activities were not completed. Long-term investments increased largely due to the positive market conditions. These increases were partially offset by a decrease in capital assets of \$1,906, due to routine recognition of depreciation expense and there were no additional purchases.

At June 30, 2011, the Association's total current liabilities decreased by \$51,463 or 21.3%, compared to the previous year. The majority of this variance was related to a decrease in deferred revenue of \$72,184.

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

The following illustrates the Association's net assets at June 30, 2011 and 2010 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 Assets**

The statements of revenue, expenses and changes in net assets 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, 2011 and 2010, are as follows:

**Revenue**

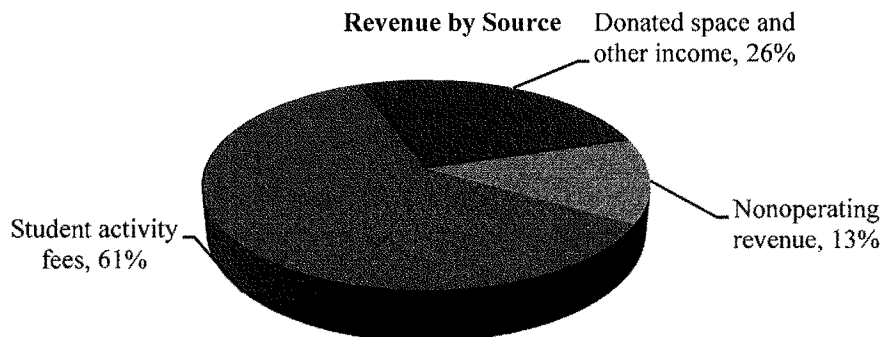
	<u>2011</u>	<u>2010</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating revenue:				
Student activity fees	\$ 1,644,966	1,156,617	488,349	42.2%
Donated space and services and other	<u>706,078</u>	<u>613,552</u>	<u>92,526</u>	15.1%
Total operating revenue	2,351,044	1,770,169	580,875	32.8%
Nonoperating revenue	<u>345,103</u>	<u>215,456</u>	<u>129,647</u>	60.2%
Total revenue	\$ <u>2,696,147</u>	<u>1,985,625</u>	<u>710,522</u>	35.8%

The Association's total revenue for the year ended June 30, 2011 amounted to \$2,696,147, an increase of \$710,522 or 35.8%, compared to the previous year. The components of this variance related to increases in student activity fees and investment income of \$488,349 and \$145,417, respectively. Student activity fees increased 42.2%. Investment income increased largely due to the improvement of the stock market. The increases are offset by a decrease in contributions of \$15,770.

Student activity fees represented approximately 61% of total revenue and, accordingly, the Association is dependent upon this level of 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, 2011:



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

Management's Discussion and Analysis, Continued

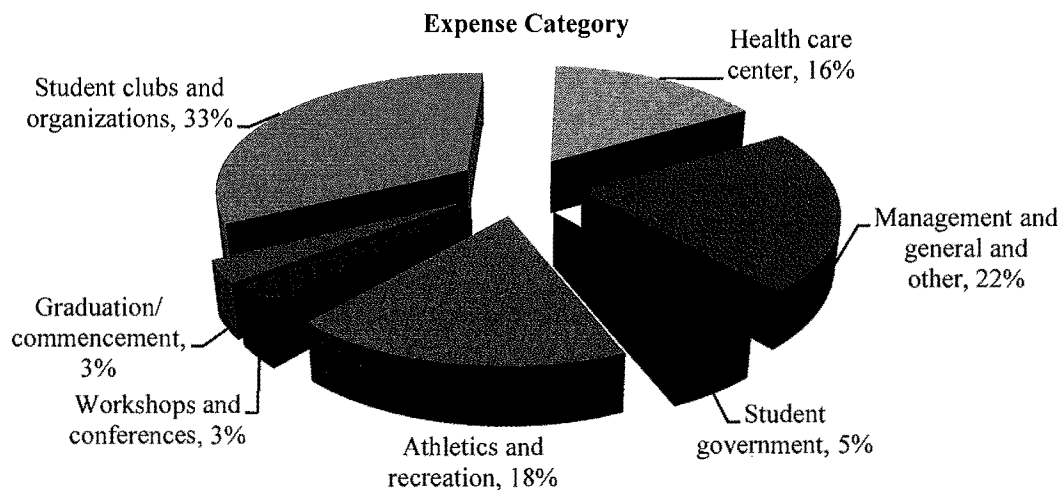
**Expenses**

	<u>2011</u>	<u>2010</u>	<u>Dollar change</u>	<u>Percent change</u>
Operating expenses:				
Student government	\$ 105,572	104,319	1,253	1.2%
Communications media	12,041	2,392	9,649	403.4%
Workshops and conferences	76,899	44,598	32,301	72.4%
Graduation/commencement	65,967	59,586	6,381	10.7%
Student clubs and organizations	745,264	618,605	126,659	20.5%
Athletics and recreation	411,341	388,738	22,603	5.8%
Health care center	359,478	288,755	70,723	24.5%
Management and general	422,262	368,091	54,171	14.7%
Depreciation	1,906	1,905	1	0%
Bad debt expense	<u>7,442</u>	<u>-</u>	<u>7,442</u>	100%
Total operating expenses	2,208,172	1,876,989	331,183	17.6%
Nonoperating expenses -				
college support	<u>61,768</u>	<u>56,736</u>	<u>5,032</u>	8.9%
Total expenses	\$ <u>2,269,940</u>	<u>1,933,725</u>	<u>336,215</u>	17.4%

Total expenses for the year ended June 30, 2011 were \$2,269,940, an increase of \$336,215 or 17.4%, compared to the previous year. The major component of this variance is due to an increase in the market rate of donated space totaling \$97,104. Additionally, health care center increased by \$70,723, largely due to the new health educator program.

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, 2011:

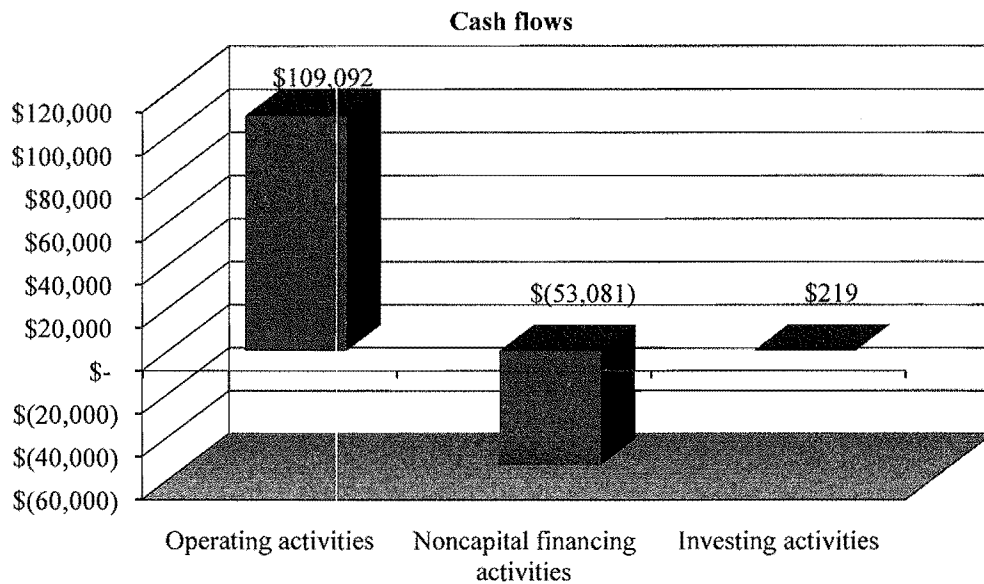


HERBERT H. LEHMAN COLLEGE ASSOCIATION  
FOR CAMPUS ACTIVITIES, INC.

Management's Discussion and Analysis, Continued

**Cash Flows**

The statements of cash flows provides information about cash receipts and cash payments during the year. This statement assists users to assess the Association's ability to generate net cash flows, meet its obligations as they come due, and its dependency on external financing. The following summarizes the Association's cash flows for the year ended June 30, 2011:



**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 Assets  
June 30, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and equivalents	\$ 150,068	93,838
Due from related parties	157,362	178,453
Student loans receivable	691	691
Prepaid expenses	14,163	10,257
Total current assets	322,284	283,239
Noncurrent assets:		
Investments, at fair value	1,950,340	1,612,735
Capital assets, net	3,589	5,495
Total noncurrent assets	1,953,929	1,618,230
Total assets	\$ 2,276,213	1,901,469
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	96,761	77,448
Deferred revenue	-	72,184
Deposits held in custody for others, net	93,477	92,069
Total current liabilities	\$ 190,238	241,701
<u>Net Assets</u>		
Invested in capital assets	3,589	5,495
Unrestricted:		
Board designated	1,373,625	1,373,625
Undesignated	708,761	280,648
Total net assets	\$ 2,085,975	1,659,768

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION  
FOR CAMPUS ACTIVITIES, INC.  
Statements of Revenue, Expenses and Changes in Net Assets  
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue:		
Student activity fees	\$ 1,644,966	1,156,617
Donated space and services	679,728	582,624
Other	<u>26,350</u>	<u>30,928</u>
Total operating revenue	<u>2,351,044</u>	<u>1,770,169</u>
Operating expenses:		
Student government	105,572	104,319
Communications media	12,041	2,392
Workshops and conferences	76,899	44,598
Graduation/commencement	65,967	59,586
Student clubs and organizations	745,264	618,605
Athletics and recreation	411,341	388,738
Health care center	359,478	288,755
Management and general	422,262	368,091
Depreciation	1,906	1,905
Bad debt expense	<u>7,442</u>	<u>-</u>
Total operating expenses	<u>2,208,172</u>	<u>1,876,989</u>
Income (loss) from operations	<u>142,872</u>	<u>(106,820)</u>
Nonoperating revenue (expenses):		
Interest income	20,467	31,696
Net gain on investments	317,357	160,711
Contributions	7,279	23,049
College support	<u>(61,768)</u>	<u>(56,736)</u>
Total nonoperating revenue (expenses), net	<u>283,335</u>	<u>158,720</u>
Increase in net assets	426,207	51,900
Net assets at beginning of year	<u>1,659,768</u>	<u>1,607,868</u>
Net assets at end of year	<u>\$ 2,085,975</u>	<u>1,659,768</u>

See accompanying notes to financial statements.

HERBERT H. LEHMAN COLLEGE ASSOCIATION  
FOR CAMPUS ACTIVITIES, INC.  
Statements of Cash Flows  
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash receipts from:		
Student activity fees	\$ 1,560,000	1,212,160
Other	26,350	30,928
Cash payments to/for:		
Employees' salaries and benefits	(830,136)	(516,750)
Services	(141,441)	(398,808)
Vendors	<u>(505,681)</u>	<u>(432,746)</u>
Net cash provided by (used in) operating activities	<u>109,092</u>	<u>(105,216)</u>
Cash flows from noncapital financing activities:		
Proceeds from deposits held in custody for others	1,408	408
College support	(61,768)	(56,736)
Payments received from Lehman College	-	25,000
Contributions received	<u>7,279</u>	<u>23,049</u>
Net cash used in noncapital financing activities	<u>(53,081)</u>	<u>(8,279)</u>
Cash flows from investing activities:		
Interest	20,467	31,696
Reinvestment of interest received	(20,248)	(31,471)
Proceeds from sale of investments	<u>-</u>	<u>103,627</u>
Net cash provided by investing activities	<u>219</u>	<u>103,852</u>
Net increase (decrease) in cash and equivalents	56,230	(9,643)
Cash and equivalents at beginning of year	<u>93,838</u>	<u>103,481</u>
Cash and equivalents at end of year	<u>\$ 150,068</u>	<u>93,838</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2011</u>	<u>2010</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	\$ 142,872	(106,820)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Depreciation expense	1,906	1,905
Changes in:		
Due from related parties	21,091	63,335
Student loans receivable	-	24
Prepaid expenses	(3,906)	227
Accounts payable and accrued expenses	19,313	(56,071)
Deferred revenue	<u>(72,184)</u>	<u>(7,816)</u>
Net cash provided by (used in) operating activities	<u>\$ 109,092</u>	<u>(105,216)</u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2011 and 2010

(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

The Association's accounting policies conform to accounting principles generally accepted in United States of America (GAAP), applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as Financial Accounting Standards Boards (FASB) statements and interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those requirements conflict with or contradict 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 component unit of the University, as defined by GASB.

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

- GASB Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments." This statement establishes the presentation format for the general-purpose governments and requires that the financial statements consist of management's discussion and analysis, basic financial statements and required supplementary information.
- GASB Statement No. 35 - "Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities." This statement establishes accounting and financial reporting standards for public colleges and universities and their component units within the financial reporting guidelines of GASB Statement No. 34. In accordance with this statement, the Association presents a statement of net assets; a statement of revenue, expenses and changes in net assets; and a statement of cash flows. The objectives of this statement are to enhance the understandability and usefulness of the external reports issued by public colleges and universities and their component units.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

- GASB Statement No. 37 - “Basic Financial Statements - and Management’s Discussion and Analysis for State and Local Governments: Omnibus.” Among other things, this statement clarifies the minimum requirements of management’s discussion and analysis and eliminates the requirement to capitalize construction-period interest for governmental activities as promulgated by GASB Statement No. 34. GASB Statement No. 37 was implemented simultaneously with GASB Statement No. 34.
- GASB Statement No. 38 - “Certain Financial Statement Note Disclosures.” Among other things, this statement establishes and modifies disclosure requirements related to the summary of significant accounting policies, actions taken to address violations of significant finance-related legal and contractual provisions and disaggregation of receivable and payable balances. GASB Statement No. 38 was implemented simultaneously with GASB Statement No. 34.
- GASB Statement No. 40 - “Deposits and Investment Risk Disclosures.” This statement establishes and modifies disclosure requirements related to the following investment and deposit risks:
  - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
  - Custodial credit risk:
    - Deposits - risk that the Association will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party in the event of failure of a depository financial institution.
    - Investments - risk that the entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party in the event of failure of the counterparty (the party that pledges collateral or that sells investments to or buys investments from the entity) of a transaction.
  - Concentration of credit risk is the risk of loss attributed to the magnitude of the Association’s investment in a single institution or issuer.
  - Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair market value of the investment or deposit.
  - Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of the investment or deposit.

(a) Net Assets

The Association’s resources are classified into the following net asset categories:

Invested 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.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(a) Net Assets, Continued

Restricted - non-expendable - Net assets subject to externally imposed stipulations requiring the Association to maintain them in perpetuity.

Restricted - expendable - Net assets 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 assets, including net assets designated by actions, if any, of the Association's Board of Directors.

At June 30, 2011, the Association had no restricted net assets.

(b) Cash and Equivalents

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

(c) 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.

(d) 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 assets.

(e) 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 deferred revenue.

(f) 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).

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) 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 assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(h) Use of Estimates

The preparation of financial statements in conformity 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.

(i) Subsequent Events

The Association has evaluated events after June 30, 2011, and through August 11, 2011, which is the date the financial statements were available to be issued, and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

(j) 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 year ended June 30, 2007, 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, 2011, the Association's bank balance of \$222,644 was fully FDIC insured.

(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, 2011, the Association's entire investment portfolio balance of \$1,950,340 was exposed to custodial credit risk, as it was uninsured and uncollateralized. The Association's investments amounting to \$1,950,340 and \$1,612,735 at June 30, 2011 and 2010, 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, 2011 and 2010, capital assets consisted of the following:

	2011			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 193,772	-	-	193,772
Less accumulated depreciation	(188,277)	(1,906)	-	(190,183)
Capital assets, net	\$ <u>5,495</u>	<u>(1,906)</u>	<u>-</u>	<u>3,589</u>
	2010			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Furniture and equipment	\$ 193,772	-	-	193,772
Less accumulated depreciation	(186,372)	(1,905)	-	(188,277)
Capital assets, net	\$ <u>7,400</u>	<u>(1,905)</u>	<u>-</u>	<u>5,495</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 assets. Professional services and facilities for the years ended June 30, 2011 and 2010 amounted to \$679,728 and \$582,624, respectively.

(6) Related Party Transactions

At June 30, 2011 and 2010, the Association was owed \$157,362 and \$178,453, 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 \$1,950,340 and \$1,612,735 as of June 30, 2011 and 2010, respectively, in the CUNY Investment Pool (note 3(b)).

(7) Deposits Held in Custody for Others

At June 30, 2011 and 2010, the Association held \$93,477 and \$92,069, 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 Assets

In fiscal 2009, the Board of Directors of the Association designated \$1,500,000 of unrestricted funds as a reserve for renovation of the Student Life Building. As of June 30, 2011 and 2010, the balance of this fund amounted to \$1,373,625.