

NEW YORK CITY COLLEGE OF  
TECHNOLOGY FOUNDATION, INC.

Financial Statements

June 30, 2018

(With Independent Auditors' Report Thereon)

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
New York City College of Technology Foundation, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of New York City College of Technology Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

### 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 audit. 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 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 Foundation'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 Foundation'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 financial position of New York City College of Technology Foundation, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of New York City College of Technology Foundation, Inc. as of June 30, 2017, were audited by other auditors whose report dated August 18, 2017, expressed an unmodified opinion on those statements.

EFPR Group, CPAs, PLLC

Williamsville, New York  
September 27, 2018

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.  
Statement of Financial Position  
June 30, 2018  
with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Assets:		
Cash and cash equivalents	\$ 992,392	1,004,507
Receivables:		
Contributions	261,347	301,656
Due from affiliate	<u>610</u>	<u>610</u>
Total receivables	<u>261,957</u>	<u>302,266</u>
Investments, at fair value	<u>4,607,727</u>	<u>4,372,448</u>
Total assets	<u>\$ 5,862,076</u>	<u>5,679,221</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	11,300	29,646
Due to affiliate	<u>42,995</u>	<u>39,960</u>
Total liabilities	<u>54,295</u>	<u>69,606</u>
Net assets:		
Unrestricted	24,474	(17,194)
Temporarily restricted	4,781,095	4,624,597
Permanently restricted	<u>1,002,212</u>	<u>1,002,212</u>
Total net assets	<u>5,807,781</u>	<u>5,609,615</u>
Total liabilities and net assets	<u>\$ 5,862,076</u>	<u>5,679,221</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.  
Statement of Activities  
Year ended June 30, 2018  
with comparative totals for 2017

	<u>Unrestricted</u>	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Totals</u>	
				<u>2018</u>	<u>2017</u>
Revenue:					
Contributions	\$ 78,056	658,536	-	736,592	598,664
Fundraising events	157,412	-	-	157,412	154,092
Donated materials	59,342	-	-	59,342	872,522
Investment income	4,655	283,253	-	287,908	487,589
Miscellaneous	16,900	-	-	16,900	-
Net assets released from restrictions - satisfaction of program restrictions	<u>785,291</u>	<u>(785,291)</u>	-	-	-
Total revenue	<u>1,101,656</u>	<u>156,498</u>	-	<u>1,258,154</u>	<u>2,112,867</u>
Expenses:					
Program services	877,512	-	-	877,512	1,595,272
Management and general	114,061	-	-	114,061	109,325
Fundraising	68,415	-	-	68,415	125,249
Total expenses	<u>1,059,988</u>	-	-	<u>1,059,988</u>	<u>1,829,846</u>
Increase in net assets	41,668	156,498	-	198,166	283,021
Net assets at beginning of year	<u>(17,194)</u>	<u>4,624,597</u>	<u>1,002,212</u>	<u>5,609,615</u>	<u>5,326,594</u>
Net assets at end of year	<u>\$ 24,474</u>	<u>4,781,095</u>	<u>1,002,212</u>	<u>5,807,781</u>	<u>5,609,615</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Functional Expenses

Year ended June 30, 2018

with comparative totals for 2017

	Program services	Management and general	Fundraising	Total	
				2018	2017
Program grants	\$ 362,398	-	-	362,398	265,320
Scholarship support	421,912	-	-	421,912	407,917
Special projects	93,202	-	-	93,202	922,035
Salaries and related expenses	-	87,783	-	87,783	77,604
Professional fees	-	7,800	-	7,800	7,800
Accounting	-	6,202	-	6,202	2,727
Insurance	-	2,600	-	2,600	2,409
Special events	-	-	68,415	68,415	125,249
Office supplies and expense	-	2,736	-	2,736	9,285
Stewardship	-	3,305	-	3,305	4,585
Bad debt	-	1,600	-	1,600	-
Miscellaneous expenses	-	2,035	-	2,035	4,915
Total expenses	<u>\$ 877,512</u>	<u>114,061</u>	<u>68,415</u>	<u>1,059,988</u>	<u>1,829,846</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Cash Flows

Year ended June 30, 2018

with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash receipts from:		
Contributions	\$ 747,120	1,079,368
Fundraising events	157,412	172,942
Other income	91,523	70,153
Cash payments to/for:		
Salaries and related expenses	(86,066)	(150,650)
Vendors	<u>(883,210)</u>	<u>(843,999)</u>
Net cash provided by operating activities	<u>26,779</u>	<u>327,814</u>
Cash flows from investing activities - purchases of investments	<u>(38,894)</u>	<u>(230,665)</u>
Net increase (decrease) in cash and equivalents	(12,115)	97,149
Cash and cash equivalents at beginning of year	<u>1,004,507</u>	<u>907,358</u>
Cash and cash equivalents at end of year	<u>\$ 992,392</u>	<u>1,004,507</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Increase in net assets	198,166	283,021
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Gains on fair value of investments	(196,385)	(417,436)
Bad debts	1,600	-
Changes in:		
Receivables	38,709	499,554
Accounts payable and accrued expenses	(18,346)	4,000
Due to affiliate	<u>3,035</u>	<u>(41,325)</u>
Net cash provided by operating activities	<u>\$ 26,779</u>	<u>327,814</u>

See accompanying notes to financial statements.



NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements

June 30, 2018

(1) Nature of Organization

The New York City College of Technology Foundation, Inc. (the Foundation) is a nonprofit entity created for the principal purpose of disbursing scholarships and awards to eligible students of The New York City College of Technology (the College). The Foundation's revenue is derived primarily from voluntary donations from various members of society.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - The part of net assets that is neither permanently nor temporarily restricted by externally imposed stipulations.

Temporarily restricted net assets - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by externally imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Permanently restricted net assets - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by externally imposed stipulations that neither expire by passage of time or can be fulfilled or otherwise removed by actions of the Foundation's Board of Directors. The purposes of which the income and net capital appreciation arising from the underlying assets may be used depend on the wishes of those donors. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by NYPMIFA.

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Investments

The Foundation's investments are held by The City University of New York (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. Realized and unrealized gains and losses are included in the statement of activities as changes in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

(f) Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Level 2 assets are those whose inputs to the valuation methodology are determined by quoted prices for similar assets in active markets. Investments held by the Foundation are classified as level 2 in the fair value hierarchy.

(g) Contributions Receivable

The Foundation recognizes all contributions received as revenue in the period the contribution is received. All contributions are considered to be available for unrestricted use unless specially restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset categories.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using the U.S. treasury rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met. Interest is not charged or recorded on outstanding receivables.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(h) Allowance for Doubtful Accounts and Bad Debt Expense

Contributions receivable are stated net of an allowance for doubtful accounts. Factors used to determine whether an allowance should be recorded include the age of the contributions, an assessment of the donor's ability to pay, a review of payments subsequent to year end, historical information and other factors. A contribution is charged to the allowance account when management determines the receivable is uncollectible. At June 30, 2018 and 2017, management has determined that all amounts are fully collectible.

(i) Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions and other revenue collected prior to year-end, if any, relating to the subsequent year are recorded as deferred revenue.

(j) Donated Materials

Donated materials are reported at their fair values at the date the contribution is received. The cost savings associated with these arrangements, which amounted to \$59,342 and \$872,522, during the years ended June 30, 2018 and 2017, respectively, are reflected in the accompanying statement of activities as both revenue and expense.

(k) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(l) Income Taxes

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

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.  
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(m) Subsequent Events

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

(n) Reclassifications

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

(3) Concentrations

At times, the Foundation's cash and equivalents may exceed federally insured limits. At June 30, 2018, the Foundation's cash balances were in excess of the insurable limit. The Foundation monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

(4) Contributions Receivable

The Foundation has received unconditional promises to give in support of the Foundation. Contributions receivable at June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Programs	\$ 200,000	260,161
Special events	46,795	41,345
Others	<u>14,552</u>	<u>150</u>
	\$ <u>261,347</u>	<u>301,656</u>

(5) Investments and Investment Income

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

	<u>2018</u>	<u>2017</u>
Investments in CUNY investment pool	\$ <u>4,607,727</u>	<u>4,372,448</u>

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.  
Notes to Financial Statements, Continued

(5) Investments and Investment Income, Continued

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

Balance at July 1, 2016	\$ 3,876,540
Deposits	107,100
Interest and dividends	9,855
Realized gains	44,015
Unrealized gains	417,436
Withdrawals	<u>(82,498)</u>
Balance at June 30, 2017	4,372,448
Deposits	58,600
Interest and dividends	19,747
Realized gains	67,121
Unrealized gains	196,385
Withdrawals	<u>(106,574)</u>
Balance at June 30, 2018	\$ <u>4,607,727</u>

A summary of investment earnings included in the accompanying statement of activities for the years ended June 30, 2018 and 2017 is summarized as follows:

	2018			2017		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Interest and dividends	\$ 4,655	19,747	24,402	1,968	24,170	26,138
Net realized gains	-	67,121	67,121	-	44,015	44,015
Net unrealized gains	<u>-</u>	<u>196,385</u>	<u>196,385</u>	<u>-</u>	<u>417,436</u>	<u>417,436</u>
	<u>\$ 4,655</u>	<u>283,253</u>	<u>287,908</u>	<u>1,968</u>	<u>485,621</u>	<u>487,589</u>

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 and 2017 consist of the following:

	2018	2017
Scholarship support	\$ 3,301,871	3,257,492
Program grants	1,435,593	1,328,898
Special projects	<u>43,631</u>	<u>38,207</u>
	<u>\$ 4,781,095</u>	<u>4,624,597</u>

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.  
Notes to Financial Statements, Continued

(7) Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Lorraine Beitler Resource Fund	\$ 208,442	208,442
Paul Kovi Scholarships in Hospitality Management	122,327	122,327
Vincent J. LaPuma Family Endowment Fund	107,298	107,298
Charles Mauro Memorial	26,759	26,759
Benjamin H. Namm Scholarship	113,796	113,796
Rosalind Solon Buchman Memorial Fund	21,754	21,754
Martin and Sharon Jaffe Scholarship Fund	100,123	100,123
Today's Challenge, Tomorrow's Solution	157,721	157,721
William Volckhausen Memorial Scholarship	<u>143,992</u>	<u>143,992</u>
	<u>\$ 1,002,212</u>	<u>1,002,212</u>

(8) Related Party Transactions

The Foundation reimburses the Auxiliary Enterprise Board of New York City College of Technology, Inc. (the Auxiliary) for certain expenses. Amounts reimbursed to the Auxiliary as of June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Salaries and related expenses	\$ 87,783	77,604
Accounting	<u>6,202</u>	<u>2,727</u>
	<u>\$ 93,985</u>	<u>80,331</u>

Amounts due to the Auxiliary at June 30, 2018 and 2017 amounted to \$42,995 and \$39,960, respectively. Additionally, amounts due from the New York City College of Technology Alumni Association at June 30, 2018 and 2017 totaled \$610.