

NEW YORK CITY COLLEGE OF
TECHNOLOGY FOUNDATION, INC.
Financial Statements
June 30, 2019
(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, 2019, 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, 2019, 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.

Report on Summarized Comparative Information

We previously audited the Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 24, 2019

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.
Statement of Financial Position
June 30, 2019
with comparative totals for 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Assets:		
Cash and cash equivalents	\$ 893,430	992,392
Receivables:		
Contributions	236,862	261,347
Due from affiliate	-	610
Total receivables	236,862	261,957
Investments, at fair value	4,822,856	4,607,727
Property and equipment	12,870	-
Less accumulated depreciation	(215)	-
Net property and equipment	12,655	-
Total assets	\$ 5,965,803	5,862,076
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	17,797	11,300
Due to affiliate	13,875	42,995
Total liabilities	31,672	54,295
Net assets:		
Without donor restrictions	(146,571)	24,474
With donor restrictions	6,080,702	5,783,307
Total net assets	5,934,131	5,807,781
Total liabilities and net assets	\$ 5,965,803	5,862,076

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Activities

Year ended June 30, 2019

with comparative totals for 2018

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2019</u>	<u>2018</u>
Revenue:				
Contributions	\$ 49,069	644,967	694,036	736,592
Fundraising events	-	-	-	157,412
Donated materials	14,818	-	14,818	59,342
Investment income	5,855	256,094	261,949	287,908
Miscellaneous	-	-	-	16,900
Net assets released from restrictions - satisfaction of program restrictions	<u>603,666</u>	<u>(603,666)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>673,408</u>	<u>297,395</u>	<u>970,803</u>	<u>1,258,154</u>
Expenses:				
Program services	720,448	-	720,448	877,512
Management and general	117,964	-	117,964	114,061
Fundraising	<u>6,041</u>	<u>-</u>	<u>6,041</u>	<u>68,415</u>
Total expenses	<u>844,453</u>	<u>-</u>	<u>844,453</u>	<u>1,059,988</u>
Change in net assets	(171,045)	297,395	126,350	198,166
Net assets at beginning of year	<u>24,474</u>	<u>5,783,307</u>	<u>5,807,781</u>	<u>5,609,615</u>
Net assets at end of year	<u>\$ (146,571)</u>	<u>6,080,702</u>	<u>5,934,131</u>	<u>5,807,781</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Functional Expenses

Year ended June 30, 2019

with comparative totals for 2018

	Program services	Management and general	Fundraising	Total	
				<u>2019</u>	<u>2018</u>
Program grants	\$ 308,057	-	-	308,057	362,398
Scholarship support	382,353	-	-	382,353	421,912
Special projects	30,038	-	-	30,038	93,202
Salaries and related expenses	-	89,161	-	89,161	87,783
Professional fees	-	8,000	-	8,000	7,800
Accounting	-	3,886	-	3,886	6,202
Insurance	-	2,500	-	2,500	2,600
Special events	-	-	6,041	6,041	68,415
Office supplies and expense	-	1,034	-	1,034	2,736
Stewardship	-	4,700	-	4,700	3,305
Bad debt	-	1,640	-	1,640	1,600
Depreciation	-	215	-	215	-
Miscellaneous expenses	-	6,828	-	6,828	2,035
	<u>-</u>	<u>6,828</u>	<u>-</u>	<u>6,828</u>	<u>2,035</u>
Total expenses	<u>\$ 720,448</u>	<u>117,964</u>	<u>6,041</u>	<u>844,453</u>	<u>1,059,988</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.
Statement of Cash Flows
Year ended June 30, 2019
with comparative totals for 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash receipts from:		
Contributions	\$ 719,131	747,120
Fundraising events	-	157,412
Other income	74,958	91,523
Cash payments to/for:		
Salaries and related expenses	(105,043)	(86,066)
Vendors	<u>(759,870)</u>	<u>(883,210)</u>
Net cash provided by (used in) operating activities	(70,824)	26,779
Cash flows from investing activities - purchases of investments	<u>(28,138)</u>	<u>(38,894)</u>
Net change in cash and equivalents	(98,962)	(12,115)
Cash and cash equivalents at beginning of year	<u>992,392</u>	<u>1,004,507</u>
Cash and cash equivalents at end of year	<u>\$ 893,430</u>	<u>992,392</u>
Supplemental schedule of cash flow information - donated property and equipment	<u>\$ 12,870</u>	<u>-</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements

June 30, 2019

(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 reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Foundation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation.

(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.

(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 net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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 increases in net assets with donor restrictions.

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.

(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, 2019 and 2018, management has determined that all amounts are fully collectible.

(i) Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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 \$14,818 and \$59,342, during the years ended June 30, 2019 and 2018, respectively, are reflected in the accompanying statement of activities as both revenue and expense.

(k) Functional Allocation of Expenses

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

(l) 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.

(m) 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.

(n) Recent Accounting Standards Issued

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." ASU 2016-14 contains several provisions that change the presentation of and disclosures within the financial statements of a not-for-profit entity. These changes include an updated net asset classification scheme from three classes to two classes, quantitative and qualitative disclosures regarding liquidity, and a requirement to report expenses by function, nature, and an analysis showing the relationship between function and nature and the removal of the requirement for a reconciliation for statements of cash flows done on the direct basis. This guidance is effective for fiscal years beginning after December 15, 2017. These financial statements and notes reflect adoption of this new standard.

(o) Reclassifications

Reclassifications have been made to certain 2018 balances in order to conform them to the 2019 presentation.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(3) Liquidity

The Foundation has \$1,130,292 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$893,430 of cash and \$236,862 of receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2019 statement of financial position.

(4) Concentrations

At times, the Foundation's cash and cash equivalents may exceed federally insured limits. At June 30, 2019, 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.

(5) Contributions Receivable

The Foundation has received unconditional promises to give in support of the Foundation. Contributions receivable at June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Programs	\$ 200,000	200,000
Special events	29,900	46,795
Others	<u>6,962</u>	<u>14,552</u>
	\$ <u>236,862</u>	<u>261,347</u>

(6) 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, 2019 and 2018, are comprised of the following:

	<u>2019</u>	<u>2018</u>
Investments in CUNY investment pool	\$ <u>4,822,856</u>	<u>4,607,727</u>

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(6) Investments and Investment Income, Continued

The following table summarizes the activity for financial instruments in 2019 and 2018:

Balance at July 1, 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	4,607,727
Deposits	9,208
Interest and dividends	69,103
Realized gains	735,098
Unrealized losses	(548,107)
Withdrawals	<u>(50,173)</u>
Balance at June 30, 2019	\$ <u>4,822,856</u>

A summary of investment earnings included in the accompanying statement of activities for the years ended June 30, 2019 and 2018 is summarized as follows:

	2019			2018		
	<u>Time</u> <u>restricitons</u>	<u>Endowment</u> <u>restrictions</u>	<u>Total</u>	<u>Time</u> <u>restrictions</u>	<u>Endowment</u> <u>restrictions</u>	<u>Total</u>
Interest and dividends	\$ 5,855	69,103	74,958	4,655	19,747	24,402
Net realized gains	-	735,098	735,098	-	67,121	67,121
Net unrealized gains and losses	<u>-</u>	<u>(548,107)</u>	<u>(548,107)</u>	<u>-</u>	<u>196,385</u>	<u>196,385</u>
	<u>\$ 5,855</u>	<u>256,094</u>	<u>261,949</u>	<u>4,655</u>	<u>283,253</u>	<u>287,908</u>

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Time or purpose restricted:		
Scholarship support	\$ 3,477,347	3,301,871
Program grants	1,463,060	1,435,593
Special projects	138,083	43,631
Endowment:		
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>\$ 6,080,702</u>	<u>5,783,307</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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Salaries and related expenses	\$ 89,161	87,783
Accounting	<u>3,886</u>	<u>6,202</u>
	<u>\$ 93,047</u>	<u>93,985</u>

Amounts due to the Auxiliary at June 30, 2019 and 2018 amounted to \$13,875 and \$42,995, respectively. Additionally, amounts due from the New York City College of Technology Alumni Association at June 30, 2018 totaled \$610, there were no amounts due at June 30, 2019.