

NEW YORK CITY COLLEGE OF
TECHNOLOGY FOUNDATION, INC.
Financial Statements
June 30, 2020
(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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 30, 2020

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.
Statement of Financial Position
June 30, 2020
with comparative totals for 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Assets:			
Cash and equivalents		\$ 1,103,335	893,430
Receivables - contributions		20,260	236,862
Investments, at fair value		4,990,373	4,822,856
Property and equipment		12,870	12,870
Less accumulated depreciation		<u>(2,789)</u>	<u>(215)</u>
Net property and equipment		<u>10,081</u>	<u>12,655</u>
Total assets		<u>\$ 6,124,049</u>	<u>5,965,803</u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Accounts payable and accrued expenses		40,178	17,797
Due to affiliate		42,148	13,875
Promissory note - paycheck protection program		<u>21,171</u>	<u>-</u>
Total liabilities		<u>103,497</u>	<u>31,672</u>
Net assets:			
Without donor restrictions		(264,137)	(146,571)
With donor restrictions		<u>6,284,689</u>	<u>6,080,702</u>
Total net assets		<u>6,020,552</u>	<u>5,934,131</u>
Total liabilities and net assets		<u>\$ 6,124,049</u>	<u>5,965,803</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Activities

Year ended June 30, 2020

with comparative totals for 2019

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Revenue:				
Contributions	\$ 36,823	550,222	587,045	694,036
Fundraising events	71,617	-	71,617	-
Donated materials	63,791	-	63,791	14,818
Investment income	7,314	202,756	210,070	261,949
Net assets released from restrictions - satisfaction of program restrictions	<u>548,991</u>	<u>(548,991)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>728,536</u>	<u>203,987</u>	<u>932,523</u>	<u>970,803</u>
Expenses:				
Program services	650,992	-	650,992	720,448
Management and general	139,909	-	139,909	117,964
Fundraising	<u>55,201</u>	<u>-</u>	<u>55,201</u>	<u>6,041</u>
Total expenses	<u>846,102</u>	<u>-</u>	<u>846,102</u>	<u>844,453</u>
Change in net assets	(117,566)	203,987	86,421	126,350
Net assets at beginning of year	<u>(146,571)</u>	<u>6,080,702</u>	<u>5,934,131</u>	<u>5,807,781</u>
Net assets at end of year	<u>\$ (264,137)</u>	<u>6,284,689</u>	<u>6,020,552</u>	<u>5,934,131</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Statement of Functional Expenses

Year ended June 30, 2020

with comparative totals for 2019

	Program services	Management and general	Fundraising	Total	
				2020	2019
Program grants	\$ 270,518	-	-	270,518	308,057
Scholarship support	300,348	-	-	300,348	382,353
Special projects	80,126	-	-	80,126	30,038
Salaries and related expenses	-	111,225	-	111,225	89,161
Professional fees	-	8,200	-	8,200	8,000
Accounting	-	4,587	-	4,587	3,886
Insurance	-	4,037	-	4,037	2,500
Special events	-	-	55,201	55,201	6,041
Office supplies and expense	-	2,992	-	2,992	1,034
Stewardship	-	1,051	-	1,051	4,700
Bad debt	-	-	-	-	1,640
Depreciation	-	2,574	-	2,574	215
Miscellaneous expenses	-	5,243	-	5,243	6,828
	<u>-</u>	<u>5,243</u>	<u>-</u>	<u>5,243</u>	<u>6,828</u>
Total expenses	\$ <u>650,992</u>	<u>139,909</u>	<u>55,201</u>	<u>846,102</u>	<u>844,453</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.
Statement of Cash Flows
Year ended June 30, 2020
with comparative totals for 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash receipts from:		
Contributions	\$ 803,647	719,131
Fundraising events	71,617	-
Other income	73,087	74,958
Cash payments to/for:		
Salaries and related expenses	(88,844)	(105,043)
Vendors	<u>(640,239)</u>	<u>(759,870)</u>
Net cash provided by (used in) operating activities	219,268	(70,824)
Cash flows from investing activities - purchases of investments	(30,534)	(28,138)
Cash flows from financing activities - proceeds from promissory note	<u>21,171</u>	<u>-</u>
Net change in cash and equivalents	209,905	(98,962)
Cash and equivalents at beginning of year	<u>893,430</u>	<u>992,392</u>
Cash and equivalents at end of year	<u>\$ 1,103,335</u>	<u>893,430</u>
Supplemental schedule of cash flow information - donated property and equipment	<u>\$ -</u>	<u>12,870</u>

See accompanying notes to financial statements.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements

June 30, 2020

(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 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, 2020 and 2019, 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 \$63,791 and \$14,818, during the years ended June 30, 2020 and 2019, 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.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Foundation and its future results and financial position is not presently determinable.

(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.

(3) Liquidity

The Foundation has \$1,123,595 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$1,103,335 of cash and equivalents and \$20,260 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 2020 statement of financial position.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(4) Concentrations

At times, the Foundation's cash and equivalents may exceed federally insured limits. At June 30, 2020, 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, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Programs	\$ -	200,000
Special events	14,900	29,900
Others	<u>5,360</u>	<u>6,962</u>
	<u>\$ 20,260</u>	<u>236,862</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, 2020 and 2019, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Investments in CUNY investment pool	\$ <u>4,990,373</u>	<u>4,822,856</u>

The following table summarizes the activity for financial instruments in 2020 and 2019:

Balance at July 1, 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	4,822,856
Deposits	45,000
Interest and dividends	65,678
Realized gains	102,169
Unrealized gains	34,814
Withdrawals	<u>(80,144)</u>
Balance at June 30, 2020	\$ <u>4,990,373</u>

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(6) Investments and Investment Income, Continued

A summary of investment earnings included in the accompanying statement of activities for the years ended June 30, 2020 and 2019 is summarized as follows:

	<u>2020</u>			<u>2019</u>		
	<u>Time</u> <u>restrictions</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	\$ 7,409	65,678	73,087	5,855	69,103	74,958
Net realized gains	-	102,169	102,169	-	735,098	735,098
Net unrealized gains and losses	<u>-</u>	<u>34,814</u>	<u>34,814</u>	<u>-</u>	<u>(548,107)</u>	<u>(548,107)</u>
	<u>\$ 7,409</u>	<u>202,661</u>	<u>210,070</u>	<u>5,855</u>	<u>256,094</u>	<u>261,949</u>

(7) Promissory Note - Paycheck Protection Program

On May 12, 2020, the Foundation received a Small Business Association (SBA) loan under the CARES Act in the amount of \$21,171 with a 1.00% interest rate.

The Foundation must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, unless otherwise forgiven in whole or part in accordance with the CARES Act as described below, beginning seven months from the month this note is dated until May 12, 2022 (the maturity date) when the entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full. Payments of principal and interest must be made on such date as designated by the lender in the months they are due.

Pursuant to the terms of the CARES Act and any implementing rules and regulations, the Foundation may apply for the loan to be forgiven by the SBA in whole or in part beginning no sooner than seven (7) weeks from the date of the note. Any loan balance remaining following forgiveness by the SBA will be fully reamortized over the remaining term of the loan. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable on the maturity date. If there is a default without notice or demand and without giving up any of its rights, lender may require immediate payment of all amounts owing under this note; collect all amounts owing from any borrower; or file suit and obtain judgment.

NEW YORK CITY COLLEGE OF TECHNOLOGY FOUNDATION, INC.

Notes to Financial Statements, Continued

(8) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Time or purpose restricted:		
Scholarship support	\$ 3,646,684	3,477,347
Program grants	1,501,015	1,463,060
Special projects	134,778	138,083
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>\$ 6,284,689</u>	<u>6,080,702</u>

(9) 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 for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Salaries and related expenses	\$ 99,324	89,161
Accounting	<u>4,587</u>	<u>3,886</u>
	<u>\$ 103,911</u>	<u>93,047</u>

Amounts due to the Auxiliary at June 30, 2020 and 2019 amounted to \$42,148 and \$13,875, respectively.