

Queensborough Community College Fund, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2022 and 2021

Queensborough Community College Fund, Inc.

June 30, 2022 and 2021

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Independent Auditor's Report

Board of Directors
Queensborough Community College Fund, Inc.
Bayside, New York

Opinion

We have audited the accompanying financial statements of Queensborough Community College Fund, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Queensborough Community College Fund, Inc., as of June 30, 2022 and 2021, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Queensborough Community College Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Queensborough Community College Fund, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Queensborough Community College Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about of Queensborough Community College Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

FORVIS,LLP

New York, New York
September 28, 2022

Queensborough Community College Fund, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 517,644	\$ 284,877
Investments	4,650,776	5,924,313
Accounts receivable	8,592	13,914
Contributions receivable	30,000	-
Prepaid expenses	<u>7,393</u>	<u>7,393</u>
Total current assets	<u>5,214,405</u>	<u>6,230,497</u>
Noncurrent Assets		
Contributions receivable	333,148	-
Investments	<u>11,442,230</u>	<u>12,245,004</u>
Total noncurrent assets	<u>11,775,378</u>	<u>12,245,004</u>
Total assets	<u><u>\$ 16,989,783</u></u>	<u><u>\$ 18,475,501</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 61,575	\$ 171,849
Due to Queensborough Community College Alumni Association	<u>45,463</u>	<u>45,278</u>
Total liabilities	<u>107,038</u>	<u>217,127</u>
Net Assets		
Without donor restrictions	3,365,258	3,943,675
With donor restrictions	<u>13,517,487</u>	<u>14,314,699</u>
Total net assets	<u>16,882,745</u>	<u>18,258,374</u>
Total liabilities and net assets	<u><u>\$ 16,989,783</u></u>	<u><u>\$ 18,475,501</u></u>

Queensborough Community College Fund, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, Losses, and Other Support						
Contributions	\$ 218,953	\$ 1,086,917	\$ 1,305,870	\$ 171,746	\$ 686,408	\$ 858,154
Investment return (loss)	(570,716)	(1,370,339)	(1,941,055)	1,075,323	2,619,853	3,695,176
Donated services and space	240,462	-	240,462	155,459	-	155,459
Net assets released from restrictions	513,790	(513,790)	-	578,139	(578,139)	-
Total revenues, gains, losses, and other support	402,489	(797,212)	(394,723)	1,980,667	2,728,122	4,708,789
Expenses						
Educational support	643,848	-	643,848	824,864	-	824,864
Supporting services						
Management and general	307,581	-	307,581	269,090	-	269,090
Fundraising	29,477	-	29,477	14,506	-	14,506
Total supporting services	337,058	-	337,058	283,596	-	283,596
Total expenses	980,906	-	980,906	1,108,460	-	1,108,460
Change in Net Assets	(578,417)	(797,212)	(1,375,629)	872,207	2,728,122	3,600,329
Net Assets, Beginning of Year	3,943,675	14,314,699	18,258,374	3,071,468	11,586,577	14,658,045
Net Assets, End of Year	\$ 3,365,258	\$ 13,517,487	\$ 16,882,745	\$ 3,943,675	\$ 14,314,699	\$ 18,258,374

Queensborough Community College Fund, Inc.
Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022			
	Educational Support	Management and General	Fundraising	Total
Salaries and benefits	\$ 33,675	\$ 33,675	\$ -	\$ 67,350
Office expense	10,993	-	-	10,993
Postage	-	6,019	-	6,019
Meetings	27,136	-	-	27,136
Scholarships and awards	300,781	-	-	300,781
Donated services and space	-	240,462	-	240,462
Travel	35,419	-	-	35,419
Insurance	-	2,451	-	2,451
Printing	-	-	26,162	26,162
Honorarium and stipends	98,868	-	-	98,868
Curatorial	9,927	-	-	9,927
Program events	66,634	-	3,315	69,949
Dues and registration fees	2,833	-	-	2,833
Professional services	-	24,974	-	24,974
Books and publications	65	-	-	65
Miscellaneous	57,517	-	-	57,517
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses reported by function on the statements of activities and changes in net assets	<u>\$ 643,848</u>	<u>\$ 307,581</u>	<u>\$ 29,477</u>	<u>\$ 980,906</u>

Queensborough Community College Fund, Inc.
Statements of Functional Expenses (Continued)
Years Ended June 30, 2022 and 2021

	2021			
	Educational Support	Management and General	Fundraising	Total
Salaries and benefits	\$ 72,340	\$ 72,340	\$ -	\$ 144,680
Office expense	9,715	-	-	9,715
Postage	-	12,191	-	12,191
Meetings	31,030	-	-	31,030
Scholarships and awards	400,785	-	-	400,785
Donated services and space	-	155,459	-	155,459
Travel	15,124	-	-	15,124
Insurance	-	2,421	-	2,421
Printing	-	-	10,672	10,672
Honorarium and stipends	97,242	-	-	97,242
Curatorial	28,981	-	-	28,981
Program events	79,812	-	3,834	83,646
Dues and registration fees	275	-	-	275
Professional services	-	26,679	-	26,679
Books and publications	830	-	-	830
Miscellaneous	88,730	-	-	88,730
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses reported by function on the statements of activities and changes in net assets	<u>\$ 824,864</u>	<u>\$ 269,090</u>	<u>\$ 14,506</u>	<u>\$ 1,108,460</u>

Queensborough Community College Fund, Inc.

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Activities		
Change in net assets	\$ (1,375,629)	\$ 3,600,329
Items not requiring (providing) operating cash flows		
Net realized and unrealized (gains) losses on investments	2,977,130	(3,379,305)
Contributions restricted for long-term investment	(841,993)	(137,265)
Changes in		
Contributions receivable	15,852	-
Accounts receivable	5,322	(1,873)
Accounts payable and accrued expenses	(110,274)	107,898
Due to Queensborough Community College Alumni Association	185	177
	<u>670,593</u>	<u>189,961</u>
Net cash provided by operating activities	<u>670,593</u>	<u>189,961</u>
Investing Activities		
Purchase of investments	(2,452,662)	(2,135,587)
Proceeds from sales of investments	<u>1,551,843</u>	<u>1,838,573</u>
	<u>(900,819)</u>	<u>(297,014)</u>
Net cash used in investing activities	<u>(900,819)</u>	<u>(297,014)</u>
Financing Activities		
Proceeds from contributions restricted for long-term investment	<u>462,993</u>	<u>137,265</u>
	<u>462,993</u>	<u>137,265</u>
Net cash provided by financing activities	<u>462,993</u>	<u>137,265</u>
Increase in Cash	232,767	30,212
Cash, Beginning of Year	<u>284,877</u>	<u>254,665</u>
Cash, End of Year	<u><u>\$ 517,644</u></u>	<u><u>\$ 284,877</u></u>

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Queensborough Community College Fund, Inc. (the Fund) was incorporated under the laws of New York State for the purpose of providing ancillary services to further the goals of Queensborough Community College (the College). The Fund is supported primarily by contributions and investment return.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and change in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Fund considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At June 30, 2022 and 2021, cash equivalents consisted primarily of money market accounts.

At June 30, 2022, the Fund's cash accounts exceeded federally insured limits by approximately \$273,000.

Investments and Net Investment Return

Investments in mutual funds and equities having a readily determinable fair value are carried at fair value. Investments in dynamic asset allocation overlays and alternative investment are recorded at net asset value (NAV), as a practical expedient. Investment return includes dividend and interest less investment expenses; realized and unrealized gains and losses on investments carried at fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investments associated with the restricted endowment and its associated undistributed accumulated earnings are classified as noncurrent on the statements of financial position.

The Fund maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Collections

Collections of works of art, historical treasures, and similar assets are not capitalized in as much as the items are preserved and cared for continuously. Purchases of collection items are reported in the year of acquisition as decreases in net assets without donor restrictions or in net assets with donor restrictions if the assets used to purchase the items were restricted to that use by donor stipulation. Contributions of collection items are not reported in the financial statements. Proceeds from disposal of and insurance recoveries related to collection items are reported as increases in the appropriate net asset classes. The Fund has a policy to use proceeds from deaccessioned items for acquisitions of new collection items.

Allowance for Doubtful Accounts

Accounts receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the contributions and accounts receivable by management. Factors used to determine whether an allowance should be recorded include the age of the receivable, a review of payments subsequent to year-end, historical information, and other factors. Management has determined that no allowance is necessary at June 30, 2022 and 2021.

Due to/from Queensborough Community College Alumni Association

The Fund periodically advances and collects money on behalf of the College or other related entities. As of June 30, 2022 and 2021, the Fund held cash of \$45,463 and \$45,278, respectively, for the Queensborough Community College Alumni Association.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Contributions

Contributions are provided to the Fund either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Fund overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-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 statements of activities and changes in net assets as net assets released from restrictions.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions, gifts, and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

As of June 30, 2022 and 2021, the Fund did not have any conditional contributions.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Donated Services and Space

Donated services are recognized at cost as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Fund. Donated space is recognized based on the cost of the rental. The time expended by members of the Board of Directors and other volunteers is not recognized as contributions in the financial statements.

Scholarships and Awards

Scholarships and awards are recorded when approved by management and the Board of Directors.

Income Taxes

The Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Fund is subject to federal income tax on any unrelated business taxable income. The Fund files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the separate statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on hours worked, square footage of space used, and other methods.

Note 2: Fair Value Measurements and Disclosures

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022 and 2021:

	2022	
	Fair Value Measurements Using	
	Quoted Prices in Active Markets for Identical Assets (Level 1)	
		Total
Mutual funds		
Emerging market	\$ 141,423	\$ 141,423
Global fixed income	1,486,297	1,486,297
Intermediate duration	1,484,097	1,484,097
International equity	1,581,469	1,581,469
International small/mid-cap equity	300,718	300,718
Real asset strategy	524,757	524,757
Bond inflation strategy	135,092	135,092
Total mutual funds	5,653,853	5,653,853
Equities		
Strategic equities	3,539,005	3,539,005
Total equities	3,539,005	3,539,005
Total investments reported on the fair value hierarchy	\$ 9,192,858	9,192,858
Cash and cash equivalents		128,250
Investments reported using NAV as a practical expedient (A)		
Dynamic asset allocation overlays		
Overlay A - equity-oriented asset allocation		2,941,823
Overlay B - fixed income-oriented asset allocation		1,108,832
Alternative investment (a)		1,797,089
Alternative investment (b)		924,154
Total investments using NAV as a practical expedient		6,771,898
Total investments		\$ 16,093,006

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

	2021	
	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	
		Total
Mutual funds		
Emerging market	\$ 194,961	\$ 194,961
Global fixed income	1,635,258	1,635,258
Intermediate duration	1,642,302	1,642,302
International equity	2,004,015	2,004,015
International small/mid-cap equity	448,764	448,764
Real asset strategy	668,769	668,769
Bond inflation strategy	148,197	148,197
Total mutual funds	6,742,266	6,742,266
Equities		
Strategic equities	4,551,224	4,551,224
Total equities	4,551,224	4,551,224
Total investments reported on the fair value hierarchy	\$ 11,293,490	11,293,490
Investments reported using NAV as a practical expedient (A)		
Dynamic asset allocation overlays		
Overlay A - equity-oriented asset allocation		3,433,103
Overlay B - fixed income-oriented asset allocation		1,245,214
Alternative investment (a)		1,826,577
Alternative investment (b)		370,933
Total investments using NAV as a practical expedient		6,875,827
Total investments		\$ 18,169,317

(A) Certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following is a description of the valuation methodology and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2022 and 2021.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Alternative Investments

The following table summarizes investments measured at fair value using NAV as a practical expedient as of June 30, 2022 and 2021:

Investment	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2022	2021			
Dynamic asset allocation overlays					
Overlay A - equity-oriented asset allocation	\$ 2,941,823	\$ 3,433,103	\$ -	Daily	None
Overlay B - fixed income-oriented asset allocation	1,108,832	1,245,214	-	Daily	None
Alternative investment (a)	1,797,089	1,826,577	-	Quarterly	95 days
Alternative investment (b)	924,154	370,933	-	Quarterly	95 days
	<u>\$ 6,771,898</u>	<u>\$ 6,875,827</u>	<u>\$ -</u>		

The Dynamic Asset Allocation Overlay (DAA overlay) is designed to reduce overall portfolio volatility over the long-term and mitigate the effects of extreme market environments. It engages hundreds of mutual funds and equities to invest in a wide universe of strategies that accomplish its strategy of mitigating risky market conditions. The shares in this portfolio are redeemed daily.

Alternative investments (a) and (b) are both hedge funds of funds that focus on a strong risk adjusted return (rather than just positive returns on a relative to an index basis). They engage about 45 hedge-funds combined across various hedge-fund managers to invest in a wide universe of various specialized strategies that include:

- *Long/Short Equity*: utilize a long and short strategy primarily in stocks. The exposures of these stocks will vary by geography, market capitalization, industry, sector, and concentration.
- *Event Driven*: this focuses on the opportunities from certain corporate events which may include Merger & Acquisition transactions, spin-offs, buybacks, and other corporate restructurings.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

- *Credit/Distressed*: generally long and short fixed-income strategies. This strategy capitalizes on opportunistic trading and also on distressed and/or high-yield securities.
- *Emerging Market*: this strategy is just defined by the market in which the hedge-fund operates. The strategy focuses on emerging market equity and debt investments of emerging markets/governments.
- *Global Macro*: a global top-down approach to investing across stocks, bonds, commodities, and currencies.

Alternative investments (a) and (b) offer quarterly liquidity (with 95 days' advanced written notification necessary).

These shares do not trade on any exchanges and liquidity is created through the repurchase by the alternative investment of outstanding shares. The amount of repurchase/liquidity is determined by the Board of the alternative investment, which will generally be limited to 15% and 10% of outstanding shares of alternative investments (a) and (b), respectively, per quarter.

Proceeds are typically available within 45 days after the liquidation/valuation date with a 5% holdback on full liquidations to be paid upon completion of the alternative investments' audit. There are currently no unfunded commitments.

Note 3: Contributions Receivable

Contributions receivable have been discounted over the payment period using a discount rate of 2.7%. Contributions receivables are due as follows:

Years Ending June 30	With Donor Restrictions
2023	\$ 30,000
2024	167,000
2025	167,000
2026	15,000
	<hr/>
	379,000
Less unamortized discount	(15,852)
	<hr/>
	\$ 363,148

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Note 4: Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 and 2021 are restricted for the following purposes or periods:

	2022	2021
Subject to expenditure for specified purpose		
Scholarships and awards	\$ 2,058,661	\$ 2,434,622
National Endowment for Humanities Grant	493,084	757,787
Art Gallery	814,319	1,182,824
Holocaust Center	1,289,523	1,869,246
Other	725,800	776,113
	<u>5,381,387</u>	<u>7,020,592</u>
Endowments		
Subject to appropriation and expenditure		
when a specified event occurs		
Restricted by donors for scholarships and awards	2,794,058	2,038,012
National Endowment for Humanities Grant	1,227,857	1,226,821
Art Gallery	1,509,889	1,490,459
Holocaust Center	2,604,296	2,538,815
	<u>8,136,100</u>	<u>7,294,107</u>
Total	<u>\$ 13,517,487</u>	<u>\$ 14,314,699</u>

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2022	2021
Satisfaction of purpose restrictions		
Scholarships and awards	\$ 44,027	\$ 62,345
Other	195,335	244,735
	<u>239,362</u>	<u>307,080</u>
Restricted purpose spending-rate distributions and appropriations		
Scholarships and awards	52,151	40,009
Holocaust Center	96,404	103,376
National Endowment for Humanities Grant	44,981	45,475
Art gallery	80,892	82,199
	<u>274,428</u>	<u>271,059</u>
Total	<u>\$ 513,790</u>	<u>\$ 578,139</u>

Note 5: Endowment

General

The Fund's endowments consist of 66 donor-restricted endowment funds for the purposes indicated below.

Interpretation of Relevant Law

The Board of Directors of the Fund adopted the *New York Prudent Management of Institutional Funds Act* (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Fund is governed by the NYPMIFA spending policy, which establishes a maximum prudent spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, the Fund classifies as donor restricted endowment net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Additionally, donor-restricted endowment funds include earnings until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Return Objectives, Strategies Employed and Spending Policy

The objective of the Fund is to grow the endowment funds to maintain purchasing power. The investment policy to achieve this objective is to invest in a diversified investment portfolio. Investment income earned in relation to the endowment funds is recorded as income with donor restrictions and released from restriction upon expenditure for the programs for which the endorsement was established. The spending policy of the Fund is 4% maximum. In 2022 and 2021, the spending rate was approximately 2%.

Funds with Deficiencies

The Fund does not have any funds with deficiencies.

Change in Endowment Net Assets for the Years Ended June 30, 2022 and 2021

	With Donor Restrictions	
	2022	2021
Endowment net assets, beginning of year	\$ 12,245,004	\$ 9,758,945
Investment return	(1,370,339)	2,619,853
Contributions	841,993	137,265
Appropriation of endowment net assets for expenditure	<u>(274,428)</u>	<u>(271,059)</u>
Endowment net assets, end of year	<u>\$ 11,442,230</u>	<u>\$ 12,245,004</u>

Note 6: Donated Services and Space

The Fund utilizes certain facilities and professional services provided by the College. The estimated fair values of occupancy costs were \$10,750 in each of the years ending June 30, 2022 and 2021. Additionally, in 2022 and 2021, \$229,712 and \$144,709, respectively, of salaries and benefits are included in the accompanying statements of activities and changes in net assets as both income and expense.

Note 7: Significant Estimates and Concentrations

Investments

Investments are reported at fair value. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the financial statements.

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Contributions and Contributions Receivable

Approximately 44% of all contributions were received from one donor in 2022 and approximately 80% of contributions receivable outstanding at June 30, 2022 were from one donor. The Fund did not have any donors who contributed more than 10% of contributions in 2021 or who were responsible for greater than 10% of contributions receivable outstanding at June 30, 2021.

Note 8: Queensborough Community College Auxiliary

The Queensborough Community College Auxiliary (the Auxiliary) is a related organization that is not controlled by the Fund. The Fund receives support from the Auxiliary to be used to provide scholarships for students. For the year ended June 30, 2021, total support received from the Auxiliary amounted to \$95,000 and is included in contributions with donor restrictions on the statements of activities and changes in net assets. The Fund did not receive any support from the Auxiliary in 2022.

Note 9: Art Collection

The Fund has title to an art collection which has been accumulated over the years through donations of works of art which were donated to the Fund for the benefit of the College. The value of the contributed collection items is not reflected within the Fund's financial statements. Most of the pieces are exhibited in the art gallery on the campus of the College while others are on display throughout the campus. The pieces are not for sale and the collection had an estimated value at June 30, 2016 of approximately \$26,500,000. In fiscal year 2015, the Board of the Fund approved a transfer of title of the artwork to the College. The transfer of the donated collection is pending and will be finalized once a current appraisal of the collection is completed, and the Board of the City University of New York accepts the gift.

Note 10: Liquidity and Availability

The Fund's financial assets available within one year of the statements of financial position date for general expenditures as of June 30, 2022 and 2021 are:

	<u>2022</u>	<u>2021</u>
Current financial assets at year-end		
Cash	\$ 517,644	\$ 284,877
Investments	4,650,776	5,924,313
Accounts receivable	<u>8,592</u>	<u>13,914</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,177,012</u>	<u>\$ 6,223,104</u>

Queensborough Community College Fund, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

The Fund manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Fund has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 360 days' operating expenses. The Fund has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 30 to 45 days of expected expenditures. To achieve these targets, the Fund forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended June 30, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

The Fund receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2022 and 2021, restricted net assets of \$2,075,257 and \$2,069,695, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

Note 11: Subsequent Events

Subsequent events have been evaluated through September 28, 2022, which is the date the financial statements were available to be issued.