

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Financial Statements and
Supplemental Information

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Queensborough Community College Fund, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Queensborough Community College Fund, Inc. (the Fund) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Queensborough Community College Fund, Inc. as of June 30, 2024 and 2023, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund 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 the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Fund'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 the Fund'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 audits.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 12, 2024

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statements of Financial Position
June 30, 2024 and 2023

	<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:			
Cash		\$ 274,749	295,600
Investments		6,258,229	5,500,739
Accounts receivable		1,460	67,131
Contributions receivable		241,000	217,000
Prepaid expenses		<u>2,143</u>	<u>68,032</u>
Total current assets		<u>6,777,581</u>	<u>6,148,502</u>
Noncurrent assets:			
Contributions receivable, net		288,320	498,863
Investments		<u>12,935,175</u>	<u>11,369,515</u>
Total noncurrent assets		<u>13,223,495</u>	<u>11,868,378</u>
Total assets		<u>\$ 20,001,076</u>	<u>18,016,880</u>
	<u>Liabilities and Net Assets</u>		
Accounts payable and accrued expenses		36,656	60,236
Due to related parties		<u>83,086</u>	<u>45,498</u>
Total liabilities		<u>119,742</u>	<u>105,734</u>
Net assets:			
Without donor restrictions		3,467,650	3,233,613
With donor restrictions		<u>16,413,684</u>	<u>14,677,533</u>
Total net assets		<u>19,881,334</u>	<u>17,911,146</u>
Total liabilities and net assets		<u>\$ 20,001,076</u>	<u>18,016,880</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Statement of Activities

Year ended June 30, 2024

with comparative totals for 2023

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2024</u>	<u>2023</u>
Revenue:				
Contributions	\$ 26,529	679,733	706,262	1,217,938
Investment return	583,160	1,669,613	2,252,773	853,308
Contributed nonfinancial assets	327,922	-	327,922	254,896
Special events, net	77,004	-	77,004	35,157
Net assets released from restrictions	<u>613,195</u>	<u>(613,195)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,627,810</u>	<u>1,736,151</u>	<u>3,363,961</u>	<u>2,361,299</u>
Expenses:				
Program services - educational support	<u>962,389</u>	<u>-</u>	<u>962,389</u>	<u>946,280</u>
Supporting services:				
Management and general	403,387	-	403,387	343,428
Fundraising	<u>27,997</u>	<u>-</u>	<u>27,997</u>	<u>43,190</u>
Total supporting services	<u>431,384</u>	<u>-</u>	<u>431,384</u>	<u>386,618</u>
Total expenses	<u>1,393,773</u>	<u>-</u>	<u>1,393,773</u>	<u>1,332,898</u>
Change in net assets	234,037	1,736,151	1,970,188	1,028,401
Net assets at beginning of year	<u>3,233,613</u>	<u>14,677,533</u>	<u>17,911,146</u>	<u>16,882,745</u>
Net assets at end of year	<u><u>\$ 3,467,650</u></u>	<u><u>16,413,684</u></u>	<u><u>19,881,334</u></u>	<u><u>17,911,146</u></u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Activities
Year ended June 30, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 52,540	1,165,398	1,217,938
Investment return	237,305	616,003	853,308
Contributed nonfinancial assets	254,896	-	254,896
Special events, net	35,157	-	35,157
Net assets released from restrictions	<u>621,355</u>	<u>(621,355)</u>	<u>-</u>
Total revenue	<u>1,201,253</u>	<u>1,160,046</u>	<u>2,361,299</u>
Expenses:			
Program services - educational support	<u>946,280</u>	<u>-</u>	<u>946,280</u>
Supporting services:			
Management and general	343,428	-	343,428
Fundraising	<u>43,190</u>	<u>-</u>	<u>43,190</u>
Total supporting services	<u>386,618</u>	<u>-</u>	<u>386,618</u>
Total expenses	<u>1,332,898</u>	<u>-</u>	<u>1,332,898</u>
Change in net assets	(131,645)	1,160,046	1,028,401
Net assets at beginning of year	<u>3,365,258</u>	<u>13,517,487</u>	<u>16,882,745</u>
Net assets at end of year	<u><u>\$ 3,233,613</u></u>	<u><u>14,677,533</u></u>	<u><u>17,911,146</u></u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Functional Expenses
Year ended June 30, 2024
with comparative totals for 2023

	Program services - educational support	<u>Supporting services</u> Management and <u>general</u> <u>Fundraising</u>		<u>Total</u> <u>2024</u> <u>2023</u>	
Salaries and benefits	\$ 32,945	32,945	-	65,890	66,619
Supplies	10,143	-	-	10,143	4,689
Postage	-	13,963	-	13,963	14,243
Office services	95,628	-	-	95,628	148,122
Scholarship and awards	343,596	-	-	343,596	278,202
Contributed nonfinancial assets	-	327,922	-	327,922	254,896
Travel	42,296	-	-	42,296	48,570
Insurance	-	7,219	-	7,219	7,219
Printing	3,141	-	20,009	23,150	30,453
Honorarium and stipends	72,295	-	-	72,295	80,390
Curatorial	8,384	-	-	8,384	14,018
Program events	261,070	-	7,988	269,058	285,634
Dues and registration fees	1,285	-	-	1,285	1,855
Professional services	-	21,338	-	21,338	33,760
Books and publications	1,288	-	-	1,288	302
Miscellaneous	90,318	-	-	90,318	63,926
Total expenses	<u>\$ 962,389</u>	<u>403,387</u>	<u>27,997</u>	<u>1,393,773</u>	<u>1,332,898</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Functional Expenses
Year ended June 30, 2023

	Program services - educational support	<u>Supporting services</u> Management and <u>general</u> <u>Fundraising</u>		<u>Total</u>
Salaries and benefits	\$ 33,309	33,310	-	66,619
Supplies	4,689	-	-	4,689
Postage	-	14,243	-	14,243
Office services	148,122	-	-	148,122
Scholarship and awards	278,202	-	-	278,202
Contributed nonfinancial assets	-	254,896	-	254,896
Travel	48,570	-	-	48,570
Insurance	-	7,219	-	7,219
Printing	-	-	30,453	30,453
Honorarium and stipends	80,390	-	-	80,390
Curatorial	14,018	-	-	14,018
Program events	272,897	-	12,737	285,634
Dues and registration fees	1,855	-	-	1,855
Professional services	-	33,760	-	33,760
Books and publications	302	-	-	302
Miscellaneous	63,926	-	-	63,926
	<u>\$ 946,280</u>	<u>343,428</u>	<u>43,190</u>	<u>1,332,898</u>
Total expenses	\$ 946,280	343,428	43,190	1,332,898

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,970,188	1,028,401
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized and unrealized gain on investments	(2,252,773)	(853,308)
Contributions restricted for long-term investments	(168,091)	(265,091)
Changes in:		
Accounts receivable	65,671	(58,539)
Contributions receivable	186,543	(731,715)
Prepaid expenses	65,889	(60,639)
Accounts payable and accrued expenses	(23,580)	(1,339)
Due to related parties	<u>37,588</u>	<u>35</u>
Net cash used in operating activities	<u>(118,565)</u>	<u>(942,195)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	(2,087,272)	2,620,168
Purchase of investments	<u>2,016,895</u>	<u>(2,544,108)</u>
Net cash provided by (used in) investing activities	<u>(70,377)</u>	<u>76,060</u>
Cash flows from financing activities - proceeds from contributions restricted for long-term investments	<u>168,091</u>	<u>644,091</u>
Net change in cash and equivalents	(20,851)	(222,044)
Cash and equivalents, beginning of year	<u>295,600</u>	<u>517,644</u>
Cash and equivalents, end of year	<u>\$ 274,749</u>	<u>295,600</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements

June 30, 2024 and 2023

(1) Nature of Fund

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.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been 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 Fund 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 Fund'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 Fund.

(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

Cash and equivalents include all highly liquid debt instruments with original maturities when acquired of three months or less. At times, the Fund's cash and equivalents may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high credit quality financial institutions.

(e) Concentration of Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents accounts in financial institutions. The Fund maintains cash and cash equivalents financial institutions which periodically may exceed federally insured limits. At June 30, 2024 and 2023, the Fund had \$37,445 and \$6,580, respectively, in excess of the federally insured limits.

(f) Receivables

The Fund's accounts receivable are primarily derived from payroll reimbursements. At each statement of financial position date, the Fund recognizes an expected allowance for bad debts. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Receivables, Continued

The allowance method is derived from a review of the Fund's historical losses based on an aging of receivables. Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that no allowance for bad debts is necessary.

The Fund writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. There are no write-offs for the years ended June 30, 2024 and 2023.

(g) Endowment

The Fund's endowment was established by donations made directly to the Fund. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of explicit donor-imposed restrictions; see note 7 for endowment funds detail.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) was enacted on September 17, 2010 and removes the prohibition on appropriations below the historic dollar value of endowment funds absent explicit donor stipulations to the contrary.

In accordance with NYPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the various funds.
2. The purposes of the donor-restricted endowment funds.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Fund.
7. The investment policies of the Fund.

(h) Investments

Investments are reported at their fair values based on quoted market prices. Donated investments are recorded at fair value at the date of donation. Realized and unrealized gains and losses are included in the statements of activities as changes in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

(i) Fair Value Measurements and Disclosures

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). The three levels of the fair value hierarchy are described below:

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Fair Value Measurements and Disclosures, Continued

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2024 and 2023.

Mutual Funds - Valued at the net asset value (NAV) of shares held at year end.

Fixed Income - Valued at the NAV of shares held at year end.

Equities - Valued at the closing price reported on the active market in which the individual investments are traded.

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.

The Fund assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Contributions Receivable

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 present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest 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 the conditions are substantially met.

(k) Allowance for Doubtful Accounts

The Fund determines whether an allowance for uncollectibles should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions, subsequent receipts and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2024 and 2023, the Fund had no allowance for doubtful accounts.

(l) Scholarships and Awards

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

(m) Revenue Recognition

Contributions and grants 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. When a restriction expires (that is, when 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 as net assets released from restrictions.

(n) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Fund expects to be entitled in exchange for these good or services. The Fund utilizes a five-step framework as identified in ASU No. 2014-09. The primary sources of revenue from contracts with customers for the Fund are as follows:

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(n) Contracts with Customers, Continued

Special Events

Special event revenue, excluding any contribution component, consists of a single performance obligation and revenue is recognized when the event occurs. There are minimal factors that could impact the nature, amount and timing of the uncertainties involving this revenue and the related cash flows.

Special event revenue is generally nonrefundable and is due before the event occurs or at the start of the event. Special event revenue is received in advance and is deferred and recognized when the event takes place.

(o) 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, 2024 and 2023, the Fund held cash of \$45,498 for the Queensborough Community College Alumni Association.

(p) Functional Allocation of Expenses

The costs of providing the Fund's various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated based on the benefits derived or space utilized. Direct expenses are charged to the various functions as incurred. Expenses related to facilities are allocated based on the approximate amount of space utilized and the market rate per square foot.

(q) Subsequent Events

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

(r) Income Taxes

The Fund is exempt from 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 Fund has been classified as publicly supported organizations that are not private foundations under Section 509(a) of the Code. The Fund 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 Fund has taken no uncertain tax positions that require adjustment in their financial statements. U.S. Forms 990s filed by the Fund is subject to examination by taxing authorities.

(s) Reclassifications

Reclassifications have been made to certain 2023 balances in order to conform them to the 2024 presentation.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(t) New Accounting Policies

At the beginning of 2024, the Fund adopted Accounting Standards Codification 326, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments, as amended which modifies the measurement of expected credit losses on certain financial instruments, including rent receivables, and requires organizations to measure all expected credit losses for financial instruments based on historical experience, current conditions, and reasonable and supportable forecasts for collectability. The Fund adopted this new standard utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Fund's financial statements.

(3) Liquidity

The Fund has \$517,209 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$274,749 of cash and equivalents, \$241,000 of contribution receivable, and \$1,460 of other receivables. Certain of them are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2024 statement of financial position.

(4) Contributions Receivable

Contributions receivable primarily consisted of unconditional promises to give to support scholarships, awards and programmatic initiatives. A summary of contributions receivable at June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 241,000	217,000
One to five years	<u>365,000</u>	<u>582,000</u>
	606,000	799,000
Less unamortized discounts, ranging from 2.7% to 3.4%	<u>(76,680)</u>	<u>(83,137)</u>
Contributions receivable, net	\$ <u>529,320</u>	<u>715,863</u>

At June 30, 2024 and 2023, 74% and 56%, respectively of the contributions receivable was from one donor.

Contributions receivable are reflected in the accompanying statements of financial position at June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Current	\$ 241,000	217,000
Noncurrent	<u>288,320</u>	<u>498,863</u>
	\$ <u>529,320</u>	<u>715,863</u>

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Notes to Financial Statements, Continued

(5) Investments

The following tables set forth the Fund's investments at fair value as of June 30, 2024 and 2023.

<u>2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 3,793,971	-	-	3,793,971
Fixed income	4,465,565		-	4,465,565
Equities	<u>6,616,633</u>	<u>-</u>	<u>-</u>	<u>6,616,633</u>
Total assets at fair value	\$ <u>14,876,169</u>	<u>-</u>	<u>-</u>	14,876,169
Investments measured at net asset value - Alternative Investments				3,798,328
Investments measured at net asset value - Private Equities				<u>518,907</u>
Total investments				\$ <u>19,193,404</u>
<u>2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 3,219,500	-	-	3,219,500
Fixed income	3,871,059		-	3,871,059
Equities	<u>4,751,605</u>	<u>-</u>	<u>-</u>	<u>4,751,605</u>
Total assets at fair value	\$ <u>11,842,164</u>	<u>-</u>	<u>-</u>	11,842,164
Investments measured at net asset value - Alternative Investments				4,805,799
Investments measured at net asset value - Private Equities				<u>222,291</u>
Total investments				\$ <u>16,870,254</u>

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.

Investments are reflected in the accompanying statements of financial position at June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Current	\$ 6,258,229	5,500,739
Noncurrent	<u>12,935,175</u>	<u>11,369,515</u>
	\$ <u>19,193,404</u>	<u>16,870,254</u>

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(5) Investments, Continued

Alternative Investments

The following table summarizes investments measured at fair value using NAV as a practical expedient as of June 30, 2024 and 2023:

<u>Investment</u>	<u>Fair Value</u>		<u>Unfunded Commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
	<u>2024</u>	<u>2023</u>			
Dynamic asset allocation overlays:					
Overlay A - equity-oriented asset allocation \$	709,973	1,515,670	-	Daily	None
Overlay B - fixed income- oriented asset allocation	256,541	578,408	-	Daily	None
Alternative investment (a)	1,932,513	1,832,108	-	Quarterly	95 days
Alternative investment (b)	<u>899,301</u>	<u>879,613</u>	<u>-</u>	Quarterly	95 days
	<u>\$ 3,798,328</u>	<u>4,805,799</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 and acquisition transactions, spin-offs, buybacks, and other corporate restructurings.
- 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.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(5) Investments, Continued

Alternative Investments, Continued

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.

(6) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 are available for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Time or purpose restriction:		
Scholarships and awards	\$ 2,465,274	2,133,999
National Endowment for Humanities Grant	760,483	551,970
Art Gallery	1,097,609	849,425
Holocaust Center	1,945,764	1,443,634
Other	<u>1,575,272</u>	<u>1,297,314</u>
	<u>7,844,402</u>	<u>6,276,342</u>
Endowments - subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for scholarships and awards	2,891,534	2,852,747
National Endowment for Humanities Grant	1,233,957	1,228,357
Art Gallery	1,704,120	1,645,541
Holocaust Center	<u>2,739,671</u>	<u>2,674,546</u>
	<u>8,569,282</u>	<u>8,401,191</u>
Total	\$ <u>16,413,684</u>	<u>14,677,533</u>

Net assets were released from donor restrictions for the years ended June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Scholarships and awards	\$ 134,772	103,475
Other	<u>174,202</u>	<u>265,133</u>
	<u>308,974</u>	<u>368,608</u>

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(6) Net Assets With Donor Restrictions, Continued

	<u>2024</u>	<u>2023</u>
Restricted purpose spending-rate distributions and appropriations:		
Scholarships and awards	\$ 84,116	59,430
Holocaust Center	79,668	62,819
National Endowment for Humanities Grant	45,243	37,100
Art Gallery	<u>95,194</u>	<u>93,398</u>
	<u>304,221</u>	<u>252,747</u>
Total	\$ <u>613,195</u>	<u>621,355</u>

(7) Endowment

(a) General

The Fund's endowments consist of 66 donor-restricted endowment funds for the purposes indicated below. The Fund classifies as net assets with donor restrictions: (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.

(b) 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 2024 and 2023, the spending rate was approximately 2%.

(c) Funds with Deficiencies

The Fund does not have any funds with deficiencies.

(d) Change in Endowment Net Assets for the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 12,072,659	11,442,230
Investment return	1,669,613	616,003
Contributions	168,091	265,091
Appropriation of endowment net assets for expenditure	<u>(301,371)</u>	<u>(250,665)</u>
	\$ <u>13,608,992</u>	<u>12,072,659</u>

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Notes to Financial Statements, Continued

(8) Related Party Transactions

During the years ended June 30, 2024 and 2023, \$53,879 and \$882,260, respectively, of contributions were received from the Fund's Board Members.

The Fund owed \$37,588 to the Auxiliary at June 30, 2024 for expense reimbursements. The Fund also owed \$45,498 to the Alumni Association at June 30, 2024 and 2023, respectively.

(9) Contributed Nonfinancial Assets

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2024</u>	<u>2023</u>
Rent	\$ 10,750	10,750
Services	<u>317,172</u>	<u>244,146</u>
	\$ <u>327,922</u>	<u>254,896</u>

Contributed space represents the Fund's share of the buildings in which the Fund operates. The square footage rate of \$35 in 2024 and 2023 used in the calculation is based on similar office space in the surrounding area. Contributions of services are recognized if the goods received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

(10) 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.