

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Financial Statements and
Supplemental Information

June 30, 2023 and 2022

(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 statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Queensborough Community College Fund, Inc. as of June 30, 2022, were audited by other auditors whose report dated September 28, 2022, expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audit 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 audit. 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 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 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 audit.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 28, 2023

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
 Statements of Financial Position
 June 30, 2023 and 2022

	<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:			
Cash		\$ 295,600	517,644
Investments		5,500,739	4,650,776
Accounts receivable		67,131	8,592
Contributions receivable		217,000	30,000
Prepaid expenses		<u>68,032</u>	<u>7,393</u>
Total current assets		<u>6,148,502</u>	<u>5,214,405</u>
Noncurrent assets:			
Contributions receivable, net		498,863	333,148
Investments		<u>11,369,515</u>	<u>11,442,230</u>
Total noncurrent assets		<u>11,868,378</u>	<u>11,775,378</u>
Total assets		<u>\$ 18,016,880</u>	<u>16,989,783</u>
<u>Liabilities and Net Assets</u>			
Accounts payable and accrued expenses		\$ 60,236	61,575
Due to Queensborough Community College Alumni Association		<u>45,498</u>	<u>45,463</u>
Total liabilities		<u>105,734</u>	<u>107,038</u>
Net assets:			
Without donor restrictions		3,233,613	3,365,258
With donor restrictions		<u>14,677,533</u>	<u>13,517,487</u>
Total net assets		<u>17,911,146</u>	<u>16,882,745</u>
Total liabilities and net assets		<u>\$ 18,016,880</u>	<u>16,989,783</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Statement of Activities

Year ended June 30, 2023

with comparative totals for 2022

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Revenue:				
Contributions	\$ 52,540	1,165,398	1,217,938	1,346,130
Investment return (loss)	237,305	616,003	853,308	(1,941,055)
Contributed nonfinancial assets	254,896	-	254,896	240,462
Special events, net	35,157	-	35,157	(40,260)
Net assets released from restrictions	<u>621,355</u>	<u>(621,355)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,201,253</u>	<u>1,160,046</u>	<u>2,361,299</u>	<u>(394,723)</u>
Expenses:				
Educational support	<u>946,280</u>	<u>-</u>	<u>946,280</u>	<u>643,848</u>
Supporting services:				
Management and general	343,428	-	343,428	307,581
Fundraising	<u>43,190</u>	<u>-</u>	<u>43,190</u>	<u>29,477</u>
Total supporting services	<u>386,618</u>	<u>-</u>	<u>386,618</u>	<u>337,058</u>
Total expenses	<u>1,332,898</u>	<u>-</u>	<u>1,332,898</u>	<u>980,906</u>
Change in net assets	(131,645)	1,160,046	1,028,401	(1,375,629)
Net assets at beginning of year	<u>3,365,258</u>	<u>13,517,487</u>	<u>16,882,745</u>	<u>18,258,374</u>
Net assets at end of year	<u>\$ 3,233,613</u>	<u>14,677,533</u>	<u>17,911,146</u>	<u>16,882,745</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Activities
Year ended June 30, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 259,213	1,086,917	1,346,130
Investment return (loss)	(570,716)	(1,370,339)	(1,941,055)
Contributed nonfinancial assets	240,462	-	240,462
Special events, net	(40,260)	-	(40,260)
Net assets released from restrictions	<u>513,790</u>	<u>(513,790)</u>	<u>-</u>
Total revenue	<u>402,489</u>	<u>(797,212)</u>	<u>(394,723)</u>
Expenses:			
Educational support	<u>643,848</u>	<u>-</u>	<u>643,848</u>
Supporting services:			
Management and general	307,581	-	307,581
Fundraising	<u>29,477</u>	<u>-</u>	<u>29,477</u>
Total supporting services	<u>337,058</u>	<u>-</u>	<u>337,058</u>
Total expenses	<u>980,906</u>	<u>-</u>	<u>980,906</u>
Change in net assets	(578,417)	(797,212)	(1,375,629)
Net assets at beginning of year	<u>3,943,675</u>	<u>14,314,699</u>	<u>18,258,374</u>
Net assets at end of year	<u>\$ 3,365,258</u>	<u>13,517,487</u>	<u>16,882,745</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Functional Expenses
Year ended June 30, 2023
with comparative totals for 2022

	Educational support	Management and general	Fundraising	<u>Total</u>	
				<u>2023</u>	<u>2022</u>
Salaries and benefits	\$ 33,309	33,310	-	66,619	67,350
Office expense	72,189	-	-	72,189	10,993
Postage	-	14,243	-	14,243	6,019
Meetings	80,622	-	-	80,622	27,136
Scholarship and awards	278,202	-	-	278,202	300,781
Contributed nonfinancial assets	-	254,896	-	254,896	240,462
Travel	48,570	-	-	48,570	35,419
Insurance	-	7,219	-	7,219	2,451
Printing	-	-	30,453	30,453	26,162
Honorarium and stipends	80,390	-	-	80,390	98,868
Curatorial	14,018	-	-	14,018	9,927
Program events	272,897	-	12,737	285,634	69,949
Dues and registration fees	1,855	-	-	1,855	2,833
Professional services	-	33,760	-	33,760	24,974
Books and publications	302	-	-	302	65
Miscellaneous	<u>63,926</u>	<u>-</u>	<u>-</u>	<u>63,926</u>	<u>57,517</u>
Total expenses	<u>\$ 946,280</u>	<u>343,428</u>	<u>43,190</u>	<u>1,332,898</u>	<u>980,906</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
Statement of Functional Expenses
Year ended June 30, 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
Scholarship and awards	300,781	-	-	300,781
Contributed nonfinancial assets	-	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
Total expenses	<u>\$ 643,848</u>	<u>307,581</u>	<u>29,477</u>	<u>980,906</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.
 Statements of Cash Flows
 Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,028,401	(1,375,629)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized loss (gain) on investments	(853,308)	2,977,130
Contributions restricted for long-term investments	(265,091)	(841,993)
Changes in:		
Accounts receivable	(58,539)	5,322
Contributions receivable	(731,715)	15,852
Prepaid expenses	(60,639)	-
Accounts payable and accrued expenses	(1,339)	(110,274)
Due to Queensborough Community College Alumni Association	35	185
Net cash provided by (used in) operating activities	<u>(942,195)</u>	<u>670,593</u>
Cash flows from investing activities:		
Proceeds from sale of investments	2,620,168	1,551,843
Purchase of investments	<u>(2,544,108)</u>	<u>(2,452,662)</u>
Net cash provided by (used in) investing activities	<u>76,060</u>	<u>(900,819)</u>
Cash flows from financing activities - proceeds from contributions restricted for long-term investments	<u>644,091</u>	<u>462,993</u>
Net change in cash and equivalents	(222,044)	232,767
Cash and equivalents, beginning of year	<u>517,644</u>	<u>284,877</u>
Cash and equivalents, end of year	<u>\$ 295,600</u>	<u>517,644</u>

See accompanying notes to financial statements.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(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) 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.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(e) Endowment, Continued

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.

(f) 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.

(g) 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:

- 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.

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Fair Value Measurements and Disclosures, Continued

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, 2023 and 2022.

Mutual Funds - Valued at the net asset value (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.

(h) 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.

(i) 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, 2023 and 2022, the Fund had no allowance for doubtful accounts.

(j) Scholarships and Awards

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

QUEENSBOROUGH COMMUNITY COLLEGE FUND, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(k) 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.

(l) 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:

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.

(m) 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, 2023 and 2022, the Fund held cash of \$45,498 and \$45,463, respectively, for the Queensborough Community College Alumni Association.

(n) 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.

(o) 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.

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

(2) Summary of Significant Accounting Policies, Continued

(p) 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.

(q) Reclassifications

Reclassifications have been made to certain 2022 balances in order to conform them to the 2023 presentation.

(r) Recent Accounting Standards Issued

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, “Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets.” ASU 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These financial statements and notes reflect retroactive adoption of this new standard.

(3) Liquidity

The Fund has \$579,731 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$295,600 of cash and equivalents, \$217,000 of contribution receivable, and \$67,131 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 2023 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, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Amounts due in:		
Less than one year	\$ 217,000	30,000
One to five years	<u>582,000</u>	<u>349,000</u>
	799,000	379,000
Less unamortized discounts, ranging from 2.7% to 3.4%	<u>(83,137)</u>	<u>(15,852)</u>
Contributions receivable, net	\$ <u>715,863</u>	<u>363,148</u>

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

(4) Contributions Receivable, Continued

At June 30, 2023 and 2022, 56% and 80%, respectively of the contributions receivable was from one donor.

Contributions receivable as reflected in the accompanying statements of financial position at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Current	\$ 217,000	30,000
Noncurrent	<u>498,863</u>	<u>333,148</u>
	\$ <u>715,863</u>	<u>363,148</u>

(5) Investments

The following tables set forth the Fund's investments at fair value as of June 30, 2023 and 2022.

2023				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 7,090,559	-	-	7,090,559
Equities	<u>4,751,605</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>
2022				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 5,653,853	-	-	5,653,853
Equities	<u>3,539,005</u>	-	-	<u>3,539,005</u>
Total assets at fair value	\$ <u>9,192,858</u>	<u>-</u>	<u>-</u>	9,192,858
Investments measured at net asset value - Alternative Investments				6,771,898
Investments measured at net asset value - Private Equities				<u>128,250</u>
Total investments				\$ <u>16,093,006</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.

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, 2023 and 2022:

<u>Investment</u>	<u>Fair Value</u>		<u>Unfunded Commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
	<u>2023</u>	<u>2022</u>			
Dynamic asset allocation overlays:					
Overlay A - equity-oriented asset allocation	\$ 1,515,670	2,941,823	-	Daily	None
Overlay B - fixed income- oriented asset allocation	578,408	1,108,832	-	Daily	None
Alternative investment (a)	1,832,108	1,797,089	-	Quarterly	95 days
Alternative investment (b)	<u>879,613</u>	<u>924,154</u>	<u>-</u>	Quarterly	95 days
	<u>\$ 4,805,799</u>	<u>6,771,898</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, 2023 and 2022 are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Time or purpose restriction:		
Scholarships and awards	\$ 2,133,999	2,058,661
National Endowment for Humanities Grant	551,970	493,084
Art Gallery	849,425	814,319
Holocaust Center	1,443,634	1,289,523
Other	<u>1,297,314</u>	<u>725,800</u>
	<u>6,276,342</u>	<u>5,381,387</u>
Endowments - subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for scholarships and awards	2,852,747	2,794,058
National Endowment for Humanities Grant	1,228,357	1,227,857
Art Gallery	1,645,541	1,509,889
Holocaust Center	<u>2,674,546</u>	<u>2,604,296</u>
	<u>8,401,191</u>	<u>8,136,100</u>
Total	\$ <u>14,677,533</u>	<u>13,517,487</u>

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

(6) Net Assets With Donor Restrictions, Continued

Net assets were released from donor restrictions for the years ended June 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Scholarships and awards	\$ 103,475	44,027
Other	<u>265,133</u>	<u>195,335</u>
	<u>368,608</u>	<u>239,362</u>
Restricted purpose spending-rate distributions and appropriations:		
Scholarships and awards	59,430	52,151
Holocaust Center	62,819	96,404
National Endowment for Humanities Grant	37,100	44,981
Art Gallery	<u>93,398</u>	<u>80,892</u>
	<u>252,747</u>	<u>274,428</u>
Total	\$ <u>621,355</u>	<u>513,790</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 2023 and 2022, the spending rate was approximately 2%.

(c) Funds with Deficiencies

The Fund does not have any funds with deficiencies.

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

(7) Endowment, Continued

(d) Change in Endowment Net Assets for the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 11,442,230	12,245,004
Investment return (loss)	616,003	(1,370,339)
Contributions	265,091	841,993
Appropriation of endowment net assets for expenditure	<u>(250,665)</u>	<u>(274,428)</u>
	\$ <u>12,072,659</u>	<u>11,442,230</u>

(8) Related Party Transactions

During the year ended June 30, 2023 and 2022, \$882,260 and \$63,400, respectively, of contributions were received from the Fund's Board Members.

(9) Contributed Nonfinancial Assets

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2023</u>	<u>2022</u>
Rent	\$ 10,750	10,750
Services	<u>244,146</u>	<u>229,712</u>
	\$ <u>254,896</u>	<u>240,462</u>

Contributed space represents the Fund's share of the buildings in which the Fund operates. The square footage rate of \$35 in 2023 and 2022 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.