The Brooklyn College Foundation, Inc.

Financial Statements

June 30, 2021 and 2020

Independent Auditors' Report

To the Board of Trustees of
The Brooklyn College Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Brooklyn College Foundation, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Brooklyn College Foundation, Inc. as of June 30, 2021 and 2020, 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.

Baker Tilly US, LLP

Melville, New York
September 29, 2021

The Brooklyn College Foundation, Inc.

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 1,813,174	$ 1,323,747
Investments (includes $1,230,934 in 2021 and $1,027,287 in 2020 held for split-interest agreements) (Notes 4 and 5)	79,280,986	58,723,696
Contributions receivable (net of allowance of $100,000 in 2021 and 2020) (Note 6)	1,190,796	991,549
Prepaid expenses and other current assets	73,581	30,384
Total current assets	82,358,537	61,069,376
Investments (Notes 4 and 5)	40,279,852	37,974,121
Contributions receivable (Note 6)	1,640,501	916,352
Beneficial interest in remainder trusts (Note 5)	1,231,559	1,152,317
Beneficial interest in life insurance	189,479	189,479
Total assets	$ 125,699,928	$ 101,301,645
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 2,647,908	$ 2,706,334
Annuity obligations (Note 5)	90,000	93,000
Total current liabilities	2,737,908	2,799,334
Annuity obligations (Note 5)	443,292	483,244
Paycheck Protection Program (Note 12)	-	251,700
Total liabilities	3,181,200	3,534,278
Net Assets		
Without donor restrictions:		
Undesignated	2,688,848	2,531,069
Board designated	879,023	796,774
Total net assets without donor restrictions	3,567,871	3,327,843
With donor restrictions (Note 7)	118,950,857	94,439,524
Total net assets	122,518,728	97,767,367
Total liabilities and net assets	$ 125,699,928	$ 101,301,645

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021 (With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues, Gains, Losses and Other Support				
Contributions, grants, legacies and bequests	$ 1,294,940	$ 8,489,894	$ 9,784,834	$ 3,794,418
Investment income, net of investment fees of $89,188 in 2021 and $71,933 in 2020 (Note 4)	1,555,020	20,769,213	22,324,233	1,974,155
Change in value of split-interest agreements	33,217	(77,968)	(44,751)	(51,159)
Change in value of beneficial interest in remainder trusts	-	79,242	79,242	(13,537)
Change in value of beneficial interest in life insurance	-	-	-	14,570
Special events	8,500	-	8,500	1,500
Donated materials and other support	3,538	-	3,538	67,216
Donated services (Note 9)	1,172,538	-	1,172,538	989,411
Donated occupancy (Note 9)	108,060	-	108,060	108,060
Miscellaneous income	-	2,156	2,156	34,266
Net assets released from restrictions (Note 7)	4,751,204	(4,751,204)	-	-
Total revenues, gains, losses and other support	8,927,017	24,511,333	33,438,350	6,918,900
Expenses				
Program service, college and student support	5,416,222	-	5,416,222	4,686,753
Supporting services:				
Management and general	1,474,178	-	1,474,178	1,606,654
Fundraising	1,781,589	-	1,781,589	1,763,338
Total supporting services	3,255,767	-	3,255,767	3,369,992
Total expenses	8,671,989	-	8,671,989	8,056,745
Changes in net assets before other changes	255,028	24,511,333	24,766,361	(1,137,845)
Transfer of artwork and collections	(15,000)	-	(15,000)	-
Changes in net assets	240,028	24,511,333	24,751,361	(1,137,845)
Net Assets, Beginning	3,327,843	94,439,524	97,767,367	98,905,212
Net Assets, Ending	$ 3,567,871	$ 118,950,857	$ 122,518,728	$ 97,767,367

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, Losses and Other Support			
Contributions, grants, legacies and bequests	$ 1,309,716	$ 2,484,702	$ 3,794,418
Investment income, net of investment fees of $71,933 (Note 4)	1,383,119	591,036	1,974,155
Change in value of split-interest agreements	(127,042)	75,883	(51,159)
Change in value of beneficial interest in remainder trusts	-	(13,537)	(13,537)
Change in value of beneficial interest in life insurance	-	14,570	14,570
Special events	1,500	-	1,500
Donated materials and other support	49,982	17,234	67,216
Donated services (Note 9)	989,411	-	989,411
Donated occupancy (Note 9)	108,060	-	108,060
Miscellaneous income	30,000	4,266	34,266
Net assets released from restrictions (Note 7)	4,613,340	(4,613,340)	-
Total revenues, gains, losses and other support	8,358,086	(1,439,186)	6,918,900
Expenses			
Program service, college and student support	4,686,753	-	4,686,753
Supporting services:			
Management and general	1,606,654	-	1,606,654
Fundraising	1,763,338	-	1,763,338
Total supporting services	3,369,992	-	3,369,992
Total expenses	8,056,745	-	8,056,745
Changes in net assets	301,341	(1,439,186)	(1,137,845)
Net Assets, Beginning	3,026,502	95,878,710	98,905,212
Net Assets, Ending	$ 3,327,843	$ 94,439,524	$ 97,767,367

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021 (With Comparative Totals for 2020)

	Program Service, College and Student Support	Management and General	Fundraising	Total 2021	Total 2020
Salaries and benefits (includes donated services of $687,885 and $677,776 in management and general and $484,653 and $311,635 in fundraising expenses in 2021 and 2020, respectively)	$ -	$ 1,015,864	$ 1,362,277	$ 2,378,141	$ 2,298,323
Scholarships and awards	2,897,093	-	-	2,897,093	2,293,193
College support	2,175,557	-	-	2,175,557	1,791,038
Conferences and travel	10,410	-	338	10,748	93,497
Meetings	6,192	-	331	6,523	65,621
Supplies	107,171	1,592	1,700	110,463	314,677
Advertising	800	-	-	800	4,127
Printing and publications	190,093	-	112,217	302,310	390,650
Postage	72	1,974	54,686	56,732	76,346
Maintenance and repairs	9,070	-	-	9,070	102,589
Miscellaneous	3,987	16,023	34,781	54,791	82,554
Consulting and professional fees	15,777	378,157	131,099	525,033	295,801
Insurance	-	35,453	-	35,453	33,827
Office and computer expenses	-	1,215	-	1,215	106,442
Occupancy	-	23,900	84,160	108,060	108,060
Total expenses	$ 5,416,222	$ 1,474,178	$ 1,781,589	$ 8,671,989	$ 8,056,745

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Service, College and Student Support	Management and General	Fundraising	Total
Salaries and benefits (includes donated services of $677,776 in management and general and $311,635 in fundraising expenses)	$ -	$ 1,088,473	$ 1,209,850	$ 2,298,323
Scholarships and awards	2,293,193	-	-	2,293,193
College support	1,791,038	-	-	1,791,038
Conferences and travel	90,541	298	2,658	93,497
Meetings	60,687	-	4,934	65,621
Supplies	306,601	7,922	154	314,677
Advertising	4,127	-	-	4,127
Printing and publications	137,199	7,423	246,028	390,650
Postage	-	8,681	67,665	76,346
Maintenance and repairs	3,367	99,222	-	102,589
Miscellaneous	-	39,148	43,406	82,554
Consulting and professional fees	-	191,450	104,351	295,801
Insurance	-	33,827	-	33,827
Office and computer expenses	-	106,310	132	106,442
Occupancy	-	23,900	84,160	108,060
Total expenses	$ 4,686,753	$ 1,606,654	$ 1,763,338	$ 8,056,745

See notes to financial statements

	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	$ 24,751,361	$ (1,137,845)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Contributions restricted for long-term investment	(2,168,838)	(260,625)
Contributions restricted for annuity agreements	(6,380)	(46,317)
Realized gain on sale of investments	(5,388,516)	(2,018,556)
Unrealized (gain) loss on investments	(16,455,351)	996,151
Change in value of split-interest agreements	44,751	51,159
Change in value of beneficial interest in remainder trusts	(79,242)	13,537
Change in value of beneficial interest in life insurance	-	(14,570)
Change in allowance for doubtful accounts	-	(950,000)
Change in present value of pledge discount	(16,907)	(58,475)
Transfer of artwork and collections	15,000	-
Donated artwork and collections	(15,000)	-
(Increase) decrease in assets:		
Contributions receivable	(906,489)	1,598,251
Prepaid expenses and other current assets	(43,197)	(21,990)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(58,426)	568,705
Paycheck Protection Program	(251,700)	251,700
Net cash flows from operating activities	(578,934)	(1,028,875)
Cash Flows From Investing Activities		
Purchase of investments	(31,869,841)	(16,894,617)
Proceeds from sales of investments	30,850,687	16,075,020
Net cash flows from investing activities	(1,019,154)	(819,597)
Cash Flows From Financing Activities		
Proceeds from contributions restricted for investment in endowment	2,168,838	260,625
Proceeds from contributions restricted for annuity obligations	37,419	108,876
Payments to annuitants	(118,742)	(131,363)
Net cash flows from financing activities	2,087,515	238,138
Net increase (decrease) in cash and cash equivalents	489,427	(1,610,334)
Cash and Cash Equivalents, Beginning	1,323,747	2,934,081
Cash and Cash Equivalents, Ending	$ 1,813,174	$ 1,323,747

See notes to financial statements

1. Nature of Organization

The Brooklyn College Foundation, Inc. (the Foundation), located in Brooklyn, New York is incorporated under the laws of the State of New York as a not-for-profit corporation to assist Brooklyn College (the College) by developing an ongoing and increasing base of support from alumni and friends of the College. The Foundation is supported primarily by contributions and investment income.

The Board of Trustees of the Foundation manages all funds held in trust by the Foundation in accordance with its act of incorporation. The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and corresponding provisions of state laws and, accordingly, is not subject to federal or state income taxes; however, it pays unrelated business income tax on the income from certain limited partnerships. The Internal Revenue Service (IRS) has classified the Foundation as an organization that is not a private foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting.

Cash and Cash Equivalents

The Foundation defines cash and cash equivalents as highly liquid, short-term investments with a maturity date at the date of acquisition of three months or less, except for cash and cash equivalents held by investments managers which are included in investments.

Investments and Investment Income

Investments in mutual funds and common stock are reported at fair value. 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. Investments in hedge funds, limited liability corporations and limited partnerships are recorded at their net asset value (NAV) as provided by the fund managers. The Foundation reviews and evaluates the values provided by the fund managers for reasonableness. Donated investments are reported at fair value at the date of receipt.

Investment income is recognized when earned. Investment income (including realized and unrealized gains and losses on investments and interest and dividends) is included in the changes in net assets without donor restrictions unless donor stipulations or law restricts the income or loss. Gains and losses on the sale of investments are based on an identified cost basis. Investment fees have been netted against investment income in the statements of activities and changes in net assets.

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.

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.

Allowance for Doubtful Accounts and Bad Debt Expense

Contributions receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the contributions 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.

Beneficial Interest in Remainder Trusts

The beneficial interest in remainder trusts is recorded at fair value.

Beneficial Interest in Life Insurance

The beneficial interest in life insurance is recorded based on the cash surrender value of a life insurance policy.

Net Assets

The net assets of the Foundation are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in achieving the primary objectives of the Foundation. Board designated net assets represent funds without donor restrictions which may, from time to time, be designated by Board action for scholarships.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that will be met either by the actions of the Foundation and/or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions also include net assets that are subject to donor-imposed stipulations that neither expire by the passage of time, nor can be fulfilled or removed by actions of the Foundation. These donor restricted net assets represent endowment funds to be held in perpetuity.

Endowment

The Foundation follows the provisions of the *Not-for-Profit Entities Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, related to enhanced disclosures for endowment funds. Specifically, the Foundation classifies the portion of the endowment funds that is not classified as net assets in perpetuity as time restricted net assets until appropriated for expenditure by the Foundation. If the endowment fund is also subject to a purpose restriction, the reclassification of the appropriated amount to net assets without donor restrictions would not occur until the purpose restriction also has been met.

Revenue Recognition

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Conditional promises to give are not included as support until the conditions, which include a barrier and a right of return or release, are substantially met.

Special Events Revenue

A portion of special events revenue represents a reciprocal transaction equal to the cost of direct benefits to donors with the remainder representing contributions. For the years ended June 30, 2021 and 2020, there were no direct benefits to donors.

Donated Services and Occupancy

Donated services are recognized 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 Foundation. Donated occupancy is recognized based on the fair value of the rental. The time expended by members of the Board of Trustees and other volunteers is not recognized as contributions in the financial statements.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are related to more than one program or supporting function. Expenses that are allocated based on time and effort include salaries and benefits. Expenses that are allocated based on square footage utilized include occupancy costs.

Advertising

The Foundation expenses advertising costs as incurred.

Uncertain Tax Positions

Management evaluated the Foundation's tax positions and concluded that the Foundation has not taken any uncertain tax positions that require adjustment to the financial statements to comply with the provisions of FASB ASC 740.

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 and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through September 29, 2021, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncement

During September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Foundation is currently assessing the effect that ASU 2020-07 will have on its financial statements.

3. Liquidity and Availability of Resources

The following table reflects the Foundation's financial assets available for general expenditure within one year as of June 30, 2021 and 2020. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2021	2020
Cash and cash equivalents	$ 1,813,174	$ 1,323,747
Investments, current portion	79,280,986	58,723,696
Contributions receivable, current portion	1,190,796	991,549
Total financial assets	82,284,956	61,038,992
Less donor restricted amounts	(78,671,005)	(56,465,403)
Less annuity obligations	(533,292)	(576,244)
Total financial assets available to meet cash needs for general expenditures within one year	$ 3,080,659	$ 3,997,345

The Foundation has fluctuations of working capital and cash flow variations during the year attributable to the timing of cash receipts from contributions. As part of the Foundation's liquidity management, its practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4. Investments and Fair Value

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has access to.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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 asset or liability;
- inputs that are derived principally from and corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology were 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 maximize the use of relevant observables and minimize the use of unobservable inputs.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2021 and 2020.

Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds are valued at the daily closing price as reported by the fund. These are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to establish their daily NAV and to transact at that price. These funds are deemed to be actively traded.

Hedge funds, limited liability company and limited partnerships are valued at the NAV of shares held as of year-end as determined by the investment fund managers. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held less any liability. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than reported at NAV.

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 Foundation 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 as of the reporting date.

The following tables present the fair value hierarchy for assets of the Foundation measured at fair value as of June 30, 2021 and 2020:

	Fair Value as of June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds, domestic equities	$ 30,805,539	$ -	$ -	$ 30,805,539
Mutual funds, fixed income	16,736,068	7,462,686	-	24,198,754
Mutual funds, international equity	19,485,332	-	-	19,485,332
Common stock	1,405,713	-	-	1,405,713
Beneficial interest in remainder trusts	-	-	1,231,559	1,231,559
	$ 68,432,652	$ 7,462,686	$ 1,231,559	77,126,897
Assets recorded at net asset value as a practical expedient to fair value (a)				33,607,422
Total assets at fair value				110,734,319
Plus cash equivalents				10,058,078
Less beneficial interest in remainder trusts				(1,231,559)
Total investments				$ 119,560,838

	Fair Value as of June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds, domestic equities	$ 25,235,801	$ -	$ -	$ 25,235,801
Mutual funds, fixed income	17,676,224	6,962,574	-	24,638,798
Mutual funds, international equity	14,142,620	-	-	14,142,620
Common stock	897,210	-	-	897,210
Beneficial interest in remainder trusts	-	-	1,152,317	1,152,317
	$ 57,951,855	$ 6,962,574	$ 1,152,317	66,066,746
Assets recorded at net asset value as a practical expedient to fair value (a)				30,460,288
Total assets at fair value				96,527,034
Plus cash equivalents				1,323,100
Less beneficial interest in remainder trusts				(1,152,317)
Total investments				$ 96,697,817

(a) In accordance with ASU 2015-07, certain investments that are measured at NAV per share (or its equivalent) as a practical expedient to fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

Changes in beneficial interest in remainder trusts for the years ended June 30 are as follows:

	2021	2020
Balance, beginning	$ 1,152,317	$ 1,165,854
Investment gains	231,932	139,153
Distributions	(152,690)	(152,690)
Balance, ending	$ 1,231,559	$ 1,152,317

Investment income for the years ended June 30 consists of the following:

	2021	2020
Interest and dividends	$ 569,554	$ 1,023,683
Realized gain on sale of investments	5,388,516	2,018,556
Unrealized gain (loss) on investments	16,455,351	(996,151)
Less investment fees	(89,188)	(71,933)
Total	$ 22,324,233	$ 1,974,155

The following table sets forth additional disclosures of the Foundation's investments in certain entities whose fair value is estimated using the NAV per share (or its equivalent) as a practical expedient to fair value as of June 30, 2021 and 2020.

	Fair Value as of June 30		Unfunded	Redemption	Redemption
	2021	2020	Commitments	Frequency	Notice Period
Hedge fund (a)	$ -	$ 2,912,025	None	Monthly	45 days
Hedge fund (b)	-	2,168,556	None	Quarterly	60 days
Hedge fund (c)	4,531,727	2,353,636	None	3 Years	90 days
Hedge fund (d)	3,734,426	3,207,295	None	Quarterly	60 days
Hedge fund (e)	3,073,325	3,022,987	None	Quarterly	45 days
Hedge fund (f)	4,698,716	3,498,883	None	Quarterly	60 days
Hedge fund (g)	2,941,402	2,861,316	None	Quarterly	60 days
Hedge fund (h)	150,000	-	$2,850,000	4 Years	90 days
Limited Liability Company (i)	10,186,421	6,507,663	None	Monthly	10 days
Limited Partnership (j)	4,291,405	3,912,520	None	Annually	45 days
Limited Partnership (k)	-	15,407	None	2 Years	90 days
	$ 33,607,422	$ 30,460,288			

Hedge Fund (a)

This hedge fund is a global, market-neutral long/short equity strategy. This fund invests directly and indirectly in equity securities listed on U.S. and non-U.S. exchanges. This fund aims to capitalize on long-term market inefficiencies and is designed to have low correlation to global equity markets. This fund focuses on low turnover due to their long-term investment horizon, holding constraints with less than 8 percent of market capitalization in their long positions and minimal currency exposure to ensure their absolute return objective.

Hedge Fund (b)

This hedge fund is a direct, multi-strategy hedge fund. This fund seeks to preserve capital and generate consistent, attractive risk-adjusted returns with low correlation to broader markets through active, fundamental investing in a relative value construct. This fund's investment philosophy is designed to identify and capitalize on asymmetric risk-reward opportunities across multiple asset classes. This fund employs strategies, including equity relative value, credit relative value, event-driven strategies, including merger arbitrage, long/short equity and volatility trading.

Hedge Fund (c)

This fund is a direct, multi-strategy hedge fund. This fund's main priority is preservation of capital with a strong emphasis on portfolio diversification and risk management. This fund invests opportunistically across a variety of sub-strategies, including merger (or risk) arbitrage, long/short equity, corporate and structured credit, convertible and derivative arbitrage and private investments. This fund invests on a global basis with positions in the U.S., Europe and Asia. This fund will invest where it sees opportunities; thus, there is no predetermined commitment to any given investment discipline or geography.

Hedge Fund (d)

This fund is a direct, multi-strategy hedge fund. This fund seeks to achieve consistent positive absolute returns that have a low correlation to equity markets through bottom-up, fundamental research. Risk management and preservation of capital are key priorities in the management of this fund. This fund employs an event-driven focus on investing, but also allocates capital to sub-strategies within this fund, including distressed investments, merger (or risk) arbitrage, long-short equity, convertible arbitrage and volatility arbitrage.

Hedge Fund (e)

This fund is a fundamental value/growth oriented equity fund across domestic and developed international markets and a sector specialist strategy excluding coverage of healthcare and financials. This fund employs a "sector before company approach" of fundamental security selection focusing more on industry headwinds/tailwinds while deploying a private equity style research process, working backwards to identify a differentiated view on company earnings deeper and longer sighted than competitors. This fund is a "lower to the ground" strategy with a net exposure that tends to hover in the 20-35 percent range, leading to lower market volatility and correlation over time. The strategy features moderate concentration, where top 10 ideas typically represent under 60 percent of the portfolio.

Hedge Fund (f)

This fund uses a multi-portfolio manager structure and centralized risk infrastructure to invest capital across strategies within a largely related value, market neutral investment framework. This fund is designed to produce consistently high risk-adjusted returns with limited sensitivity to traditional equity and fixed income markets. Strategies in the portfolio include merger arbitrage, fundamental market neutral long/short equity, fundamental conservative long/short equity, high yield credit long/short, investment grade credit long/short, opportunistic and convertible arbitrage. This fund's portfolio managers abide by strict risk and position size limits within their respective strategy sleeves, and the CIO and Capital Allocation committee add another layer of risk oversight at this fund level. The resulting portfolio is highly diversified, generally holding in excess of 2,000 positions. Key to this fund's process is its focus on risk management, market liquidity and its ability to allocate capital across strategies to areas with the best perceived risk adjusted return opportunities.

Hedge Fund (g)

This fund is a bottom-up value/growth oriented equity strategy investing across domestic and developed international markets. This fund manager leads an investment team of generalist analysts evaluating industry ecosystems, additionally utilizing vast private equity resources. The investment team focuses strongly on management teams, changing boardroom dynamics and incentives of key influencers. This approach relies on building relationships with company leadership and competitors, analyzing capital structures and channel checking across suppliers, customers, etc.

Hedge Fund (h)

This fund is a distressed debt fund that invests in distressed and deep-value opportunities in primarily mid-sized corporate debt and assets. The fund will pursue an active and hands-on approach by leading financial restructurings and driving operational improvement. The strategy is designed to pursue deeply undervalued investment opportunities, and in many cases, drive value creation through active involvement in a corporate reorganization. The fund has a long tenure investing in both U.S. and European distressed markets, and has developed the necessary origination network and expertise to invest in mid-sized companies or smaller, rather than focusing on only the largest distressed opportunities in public debt markets. As such, the fund has established a more "all-weather" profile than many of its peers, with the ability to seek the best relative value across a range of distressed market geographies and sizes. The fund typically invests in senior debt, indicating a relatively defensive approach that has resulted in a superior historical Win/Loss Ratio of 78 percent compared to many of its peers.

Limited Liability Company (i)

For the limited liability company, the investment manager employs a value-oriented investment strategy using strict valuation and fundamental analysis. They target stocks that are selling at a deep discount to their historical price/earnings ratios on a project earnings basis, and have above-average historical growth rates and balance sheet strength. Portfolios contain 35 to 50 issues, fairly equally weighted. Representation of a single issue within a portfolio usually does not exceed 5 percent; representation of a particular industry does not exceed 25 percent.

Limited Partnership (j)

This limited partnership invests in a multi-strategy hedge fund. This partnership seeks superior risk-adjusted return through a process of fundamental analysis that emphasizes capital preservation. This partnership's core investment strategies include merger arbitrage (focused mainly on corporate takeovers), credit investments, which generally include investments in companies experiencing financial distress or whose credit is viewed by the market as marginal but improving and real estate investments, predominantly outside the U.S., in securities such as mortgages or other real estate-related assets.

Limited Partnership (k)

This limited partnership invests in a multi-strategy hedge fund, focused on bottom-up, opportunistic, value-oriented investing across equity, credit and real estate on a global basis. This partnership's portfolio managers focus on only a handful of new investments each year, thus this fund is a concentrated investment, with 20-30 investments typically representing 80 percent of portfolio value. This partnership's positions are principally held for 1-3 years on average. While not a primary focus, this fund will seek out value enhancement through activism and working with corporate management teams to unlock hidden value. Lastly, this partnership employs minimal leverage.

5. Charitable Gift Annuities and Remainder Trusts

The Foundation administers a Charitable Gift Annuity Program, which is regulated by New York Department of Financial Services and managed by the Foundation and is also registered in various states. The Foundation is the remainderman of the annuities. The total fair value of the assets held for the charitable gift annuities is approximately $1,231,000 and $1,027,000 as of June 30, 2021 and 2020, respectively. The discount rates used to determine the present value of the split-interest agreements range between 1.00 percent and 6.00 percent. The Foundation has adequate reserves as of June 30, 2021 and 2020 to fund its charitable gift annuity obligations and is in compliance with Code of Maryland Regulations 31.09.07.03. As of June 30, 2021 and 2020, the annuity obligations were approximately $533,000 and $576,000, respectively.

Additionally, the Foundation is the remainderman of charitable remainder trusts for which it is not the trustee. As of June 30, 2021 and 2020, the balance was approximately $1,232,000 and $1,152,000, respectively.

6. Contributions Receivable

The Foundation's contributions receivable as of June 30 are summarized below:

	2021	2020
Total contributions receivable	$ 2,995,038	$ 2,088,549
Less allowance for doubtful accounts	(100,000)	(100,000)
Less discount to present value	(63,741)	(80,648)
Net present value of contributions receivable	$ 2,831,297	$ 1,907,901
Amounts due in:		
One year or less	$ 1,190,796	$ 991,549
Two to five years	1,640,501	916,352
Total	$ 2,831,297	$ 1,907,901

The discount rate used to record amounts due in two to five years was between .11 percent and 3.75 percent at the time of the contribution.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the amounts restricted for the following as of June 30:

	2021	2020
Purpose restrictions:		
Scholarships and awards	$ 14,614,696	$ 13,911,773
College support	57,575,582	36,432,772
Unappropriated endowment income:		
Scholarships and awards	3,250,123	3,076,922
College support	3,264,507	3,077,182
Endowments held in perpetuity:		
Scholarships and awards	24,575,386	22,694,746
College support	15,670,563	15,246,129
Total net assets with donor restrictions	$ 118,950,857	$ 94,439,524

Net assets released from donor restrictions by appropriation or by incurring expenses satisfying the restricted purposes of the following for the years ended June 30:

	2021	2020
Scholarships and awards	$ 2,743,225	$ 2,293,193
College support	2,007,979	2,320,147
Total net assets released from donor restrictions	$ 4,751,204	$ 4,613,340

General

The Foundation's endowment consists of 282 donor restricted endowment funds for the purposes indicated below.

Endowment

The Foundation's endowment funds are established to provide (i) scholarships, fellowships, prizes and other assistance to students of Brooklyn College; (ii) awards, prizes and subventions to Brooklyn College faculty and staff or other persons for outstanding achievements or services to Brooklyn College; (iii) funds for the library, academic departments and for the administration of Brooklyn College; (iv) support for the establishment, maintenance, building, improvement, operation and support of recreational rooms, places and buildings of Brooklyn College; and (v) support for the functioning and operation of the curricular and extra-curricular activities of Brooklyn College and its related and associated agencies.

Interpretation of Relevant Law

The Board of Trustees of the Foundation has 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 Foundation is now governed by the NYPMIFA spending policy, which establishes a maximum prudent spending limit of 7 percent of the average of its previous 5 years' balance. As a result of this interpretation, the Foundation classifies as net assets restricted in perpetuity (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. The remaining portion of the donor restricted endowment fund that is not classified as net assets restricted in perpetuity is classified as time or time and purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by NYPMIFA. Management has interpreted NYPMIFA as allowing spending from underwater endowment funds in accordance with the spending policy.

Return Objectives, Strategies Employed and Spending Policy

The primary investment objective of the endowment is to attain an average nominal total return of 8 percent over a full market cycle. This nominal rate of return approximates the long-term inflation rate of 3 percent plus the endowment's required annual spending rate of 4 percent of earnings. In order to achieve this rate of return, some investment risk must be taken in the management of the endowment. The most effective way to establish appropriate risk levels for the endowment is through net asset allocation (i.e., cash, fixed income, credit investments, long-only equities, alternative assets/hedge funds, private equity and real estate). A strategic long-term asset allocation has been adopted for the endowment. Over time, the endowment's allocation to specific asset classes should remain within the percentage ranges that are part of the long-term strategic asset allocation. The overall asset allocation strategy shall be to construct a diversified investment portfolio that should enhance long-term total return while avoiding undue risk or concentration in any single asset class.

Funds With Deficiencies

The Foundation does not have any funds with deficiencies.

Endowment Funds

The following represents the composition of endowment net assets by fund type as of June 30, 2021:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment funds	$ 40,245,949	$ 6,514,630	$ 46,760,579

The changes in endowment net assets were as follows for the year ended June 30, 2021:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment net assets, beginning	$ 37,940,875	$ 6,154,104	$ 44,094,979
Contributions	2,168,838	51,893	2,220,731
Investment income	134,093	1,535,460	1,669,553
Change in value split-interest agreements	2,143	-	2,143
Appropriations	-	(1,226,827)	(1,226,827)
Endowment net assets, ending	$ 40,245,949	$ 6,514,630	$ 46,760,579

The following represents the composition of endowment net assets by fund type as of June 30, 2020:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment funds	$ 37,940,875	$ 6,154,104	$ 44,094,979

The changes in endowment net assets were as follows for the year ended June 30, 2020:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment net assets, beginning	$ 37,563,928	$ 5,742,511	$ 43,306,439
Contributions	260,625	85,378	346,003
Investment income	114,027	1,490,314	1,604,341
Change in value split-interest agreements	2,295	-	2,295
Appropriations	-	(1,164,099)	(1,164,099)
Endowment net assets, ending	$ 37,940,875	$ 6,154,104	$ 44,094,979

8. Pension

The Foundation has a 401(k) pension plan for its employees. For the years ended June 30, 2021 and 2020, the expense was approximately $67,000 and $76,000, respectively.

9. Related-Party Transactions

The Foundation utilizes certain facilities and professional services provided by the College. The estimated fair value of occupancy costs and salaries and benefits amounted to approximately $108,000 and $1,173,000, respectively, for the year ended June 30, 2021, and $108,000 and $989,000, respectively, for the year ended June 30, 2020, and are included in the accompanying statements of activities and changes in net assets as both income and expense.

See Note 11 for unconditional promises to give to the College.

10. Concentrations

Financial instruments which potentially subject the Foundation to a concentration of credit risk are cash accounts with a financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. The Foundation has separately insured the balances over the FDIC limits with Citi Bank.

Pledges at gross totaling approximately $1,731,000 from three donors and $940,000 from one donor before discounting represent a significant portion of the total outstanding contributions receivable balance as of June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, approximately 65 percent and 63 percent, respectively, of gross outstanding contributions receivable represent amounts due from the Foundation's Board of Trustee members.

11. Unconditional Promises to Give

As of June 30, 2021 and 2020, the Foundation has a remaining commitment to fund the building of the Brooklyn College Performing Arts Center for $1,600,000.

In addition, as of June 30, 2021 and 2020, the Foundation has a commitment of $295,000 to fund the remaining construction retainage related to a Cinema Academy building at Steiner Studios.

12. Paycheck Protection Program

On May 4, 2020, the Foundation received loan proceeds in the amount of $251,700 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25 percent during the covered period. The Foundation initially recorded the funds as a refundable advance and recorded the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the PPP loan, or when such conditions are explicitly waived.

As of June 30, 2021, the Foundation had expended all of the PPP loan funds received on qualified expenses and believes that it is reasonably assured that all of the conditions attached to the PPP loan were met, therefore, the Foundation has recorded grant income of $251,700 within the contributions, grants, legacies and bequests on its statement of activities and changes in net assets for the year ended June 30, 2021.

The Foundation received forgiveness of the PPP loan from the SBA on April 5, 2021. The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.