The Brooklyn College Foundation, Inc.

Financial Statements

June 30, 2023 and 2022

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of The Brooklyn College Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 GAAP, 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 Foundation'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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.

Baker Tilly US, LLP

Uniondale, New York
September 20, 2023

The Brooklyn College Foundation, Inc.

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 1,383,775	$ 2,026,015
Investments (includes $1,456,480 in 2023 and $1,472,826 in 2022 held for split-interest agreements) (Notes 4 and 5)	71,674,813	65,166,874
Contributions receivable (net of allowance of $100,000 in 2023 and 2022) (Note 6)	747,794	788,667
Prepaid expenses and other current assets	110,632	9,945
Total current assets	73,917,014	67,991,501
Investments (Notes 4 and 5)	45,321,749	41,055,633
Contributions Receivable (Note 6)	4,145,316	1,511,288
Beneficial Interest in Remainder Trusts (Note 5)	844,554	864,710
Beneficial Interest in Life Insurance	182,926	181,883
Total assets	$ 124,411,559	$ 111,605,015
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 3,071,671	$ 2,848,934
Annuity obligations (Note 5)	93,000	117,000
Total current liabilities	3,164,671	2,965,934
Annuity Obligations (Note 5)	606,488	659,200
Total liabilities	3,771,159	3,625,134
Net Assets		
Without donor restrictions:		
Undesignated	2,512,897	1,986,884
Board-designated	1,934,837	1,392,620
Total net assets without donor restrictions	4,447,734	3,379,504
With donor restrictions (Note 7)	116,192,666	104,600,377
Total net assets	120,640,400	107,979,881
Total liabilities and net assets	$ 124,411,559	$ 111,605,015

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023 (With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Revenues, Gains, Losses and Other Support				
Contributions, grants, legacies and bequests of cash and financial assets	$ 1,118,470	$ 8,590,192	$ 9,708,662	$ 7,209,810
Investment income (loss), net of investment fees of $126,324 in 2023 and $170,821 in 2022 (Note 4)	1,952,176	9,784,812	11,736,988	(13,856,127)
Change in value of split-interest agreements	(38,709)	(19,100)	(57,809)	(47,161)
Change in value of beneficial interest in remainder trusts	-	(20,156)	(20,156)	(141,946)
Change in value of beneficial interest in life insurance	-	1,043	1,043	(7,597)
Special events, net of direct expenses of $99,167 in 2023	132,583	-	132,583	5,000
Donated materials and other support (Note 12)	3,538	4,500	8,038	33,783
Donated services (Notes 9 and 12)	1,301,531	-	1,301,531	1,281,966
Donated occupancy (Notes 9 and 12)	94,553	-	94,553	91,851
Miscellaneous income	-	-	-	800
Net assets released from restrictions (Note 7)	6,749,002	(6,749,002)	-	-
Total revenues, gains, losses and other support	11,313,144	11,592,289	22,905,433	(5,429,621)
Expenses				
Program service:				
College and student support	7,088,600	-	7,088,600	5,682,040
Supporting services:				
Management and general	1,485,047	-	1,485,047	1,420,785
Fundraising	1,671,267	-	1,671,267	1,977,901
Total supporting services	3,156,314	-	3,156,314	3,398,686
Total expenses	10,244,914	-	10,244,914	9,080,726
Changes in net assets before other changes	1,068,230	11,592,289	12,660,519	(14,510,347)
Transfer of Artwork and Collections	-	-	-	(28,500)
Changes in net assets	1,068,230	11,592,289	12,660,519	(14,538,847)
Net Assets, Beginning	3,379,504	104,600,377	107,979,881	122,518,728
Net Assets, Ending	$ 4,447,734	$ 116,192,666	$ 120,640,400	$ 107,979,881

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, Losses and Other Support			
Contributions, grants, legacies and bequests of cash and financial assets	$ 1,437,461	$ 5,772,349	$ 7,209,810
Investment (loss) income, net of investment fees of $170,821 (Note 4)	1,238,891	(15,095,018)	(13,856,127)
Change in value of split-interest agreements	(43,832)	(3,329)	(47,161)
Change in value of beneficial interest in remainder trusts	-	(141,946)	(141,946)
Change in value of beneficial interest in life insurance	-	(7,597)	(7,597)
Special events	5,000	-	5,000
Donated materials and other support (Note 12)	32,634	1,149	33,783
Donated services (Notes 9 and 12)	1,281,966	-	1,281,966
Donated occupancy (Notes 9 and 12)	91,851	-	91,851
Miscellaneous income	800	-	800
Net assets released from restrictions (Note 7)	4,876,088	(4,876,088)	-
Total revenues, gains, losses and other support	8,920,859	(14,350,480)	(5,429,621)
Expenses			
Program service:			
College and student support	5,682,040	-	5,682,040
Supporting services:			
Management and general	1,420,785	-	1,420,785
Fundraising	1,977,901	-	1,977,901
Total supporting services	3,398,686	-	3,398,686
Total expenses	9,080,726	-	9,080,726
Changes in net assets before other changes	(159,867)	(14,350,480)	(14,510,347)
Transfer of Artwork and Collections	(28,500)	-	(28,500)
Changes in net assets	(188,367)	(14,350,480)	(14,538,847)
Net Assets, Beginning	3,567,871	118,950,857	122,518,728
Net Assets, Ending	$ 3,379,504	$ 104,600,377	$ 107,979,881

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023 (With Comparative Totals for 2022)

	Program Service	Supporting Services		Total	
	College and Student Support	Management and General	Fundraising	2023	2022
Salaries and benefits (includes donated services of $775,696 and $778,378 in management and general and $525,835 and $503,588 in fundraising expenses in 2023 and 2022, respectively)	$ -	$ 1,161,856	$ 1,167,225	$ 2,329,081	$ 2,595,371
Scholarships and awards	3,221,986	-	-	3,221,986	2,681,339
College support	3,133,143	-	-	3,133,143	2,099,292
Conferences and travel	113,604	-	1,612	115,216	40,686
Meetings	107,438	-	28,300	135,738	44,835
Supplies	122,709	1,154	575	124,438	198,968
Advertising	-	-	-	-	256
Printing and publications	87,733	-	107,859	195,592	244,622
Postage	-	1,014	73,621	74,635	36,379
Maintenance and repairs	6,377	-	-	6,377	300
Miscellaneous	114,004	15,979	44,734	174,717	189,195
Consulting and professional fees	181,606	201,783	173,701	557,090	656,837
Insurance	-	33,606	-	33,606	34,265
Office and computer expenses	-	48,742	-	48,742	166,530
Donated occupancy	-	20,913	73,640	94,553	91,851
Total expenses	$ 7,088,600	$ 1,485,047	$ 1,671,267	$ 10,244,914	$ 9,080,726

See notes to financial statements

The Brooklyn College Foundation, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Service	Supporting Services		
	College and Student Support	Management and General	Fundraising	Total
Salaries and benefits (includes donated services of $778,378 in management and general and $503,588 in fundraising expenses)	$ -	$ 1,111,623	$ 1,483,748	$ 2,595,371
Scholarships and awards	2,681,339	-	-	2,681,339
College support	2,099,292	-	-	2,099,292
Conferences and travel	40,016	71	599	40,686
Meetings	33,626	-	11,209	44,835
Supplies	198,518	57	393	198,968
Advertising	256	-	-	256
Printing and publications	42,177	-	202,445	244,622
Postage	-	941	35,438	36,379
Maintenance and repairs	300	-	-	300
Miscellaneous	136,027	20,801	32,367	189,195
Consulting and professional fees	357,893	158,778	140,166	656,837
Insurance	-	34,265	-	34,265
Office and computer expenses	92,596	73,934	-	166,530
Donated occupancy	-	20,315	71,536	91,851
Total expenses	$ 5,682,040	$ 1,420,785	$ 1,977,901	$ 9,080,726

See notes to financial statements

	2023	2022
Cash Flows From Operating Activities		
Changes in net assets	$ 12,660,519	$ (14,538,847)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Contributions restricted for long-term investment	(961,834)	(1,624,362)
Contributions restricted for annuity agreements	(11,593)	(251,999)
Realized gain on sale of investments	(2,856,920)	(4,882,525)
Unrealized (gain) loss on investments	(7,123,398)	19,352,669
Change in value of split-interest agreements	57,809	47,161
Change in value of beneficial interest in remainder trusts	20,156	366,849
Change in value of beneficial interest in life insurance	(1,043)	7,596
Change in present value of pledge discount	134,887	971
Transfer of artwork and collections	-	28,500
Donated artwork and collections	-	(28,500)
Donated investments	(209,795)	(463,415)
(Increase) decrease in assets:		
Contributions receivable	(2,728,042)	530,371
Prepaid expenses and other current assets	(100,687)	63,636
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	222,737	201,026
Annuity obligations	(41,268)	-
Net cash flows from operating activities	(938,472)	(1,190,869)
Cash Flows From Investing Activities		
Purchase of investments	(58,122,586)	(15,442,413)
Proceeds from sales of investments	57,538,644	14,774,015
Net cash flows from investing activities	(583,942)	(668,398)
Cash Flows From Financing Activities		
Proceeds from contributions restricted for investment in endowment	961,834	1,624,362
Proceeds from contributions restricted for annuity obligations	11,593	572,785
Payments to annuitants	(93,253)	(125,039)
Net cash flows from financing activities	880,174	2,072,108
Net (decrease) increase in cash and cash equivalents	(642,240)	212,841
Cash and Cash Equivalents, Beginning	2,026,015	1,813,174
Cash and Cash Equivalents, Ending	$ 1,383,775	$ 2,026,015

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 companies 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 year ended June 30, 2023, direct benefit to donors was $99,167. For the year ended June 30, 2022, there was no direct benefit 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 20, 2023, which is the date the financial statements were available to be issued.

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, 2023 and 2022. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2023	2022
Cash and cash equivalents	$ 1,383,775	$ 2,026,015
Investments, current portion	71,674,813	65,166,874
Contributions receivable, current portion	747,794	788,667
Total financial assets	73,806,382	67,981,556
Less donor-restricted amounts	(70,870,917)	(63,544,744)
Less annuity obligations	(699,488)	(776,200)
Total financial assets available to meet cash needs for general expenditures within one year	$ 2,235,977	$ 3,660,612

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, 2023 and 2022.

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.

U.S. treasury obligations are valued based on quoted market prices in active markets.

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, 2023 and 2022:

	Fair Value as of June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds, domestic equities	$ 26,923,798	$ -	$ -	$ 26,923,798
Mutual funds, fixed income	164,211	-	-	164,211
Mutual funds, international equity	20,046,581	-	-	20,046,581
Common stock	1,203,567	-	-	1,203,567
U.S. treasury bills	3,047,656	-	-	3,047,656
U.S. treasury notes	1,929,380	-	-	1,929,380
Beneficial interest in remainder trusts	-	-	844,554	844,554
	$ 53,315,193	$ -	$ 844,554	54,159,747
Assets recorded at net asset value as a practical expedient to fair value (a)				41,258,030
Total assets at fair value				95,417,777
Plus cash equivalents				22,423,339
Less beneficial interest in remainder trusts				(844,554)
Total investments				$ 116,996,562

	Fair Value as of June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds, domestic equities	$ 23,649,355	$ -	$ -	$ 23,649,355
Mutual funds, fixed income	15,711,960	6,846,104	-	22,558,064
Mutual funds, international equity	17,281,808	-	-	17,281,808
Common stock	1,086,107	-	-	1,086,107
Beneficial interest in remainder trusts	-	-	864,710	864,710
	$ 57,729,230	$ 6,846,104	$ 864,710	65,440,044
Assets recorded at net asset value as a practical expedient to fair value (a)				38,042,693
Total assets at fair value				103,482,737
Plus cash equivalents				3,604,480
Less beneficial interest in remainder trusts				(864,710)
Total investments				$ 106,222,507

(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:

	2023	2022
Balance, beginning	$ 864,710	$ 1,231,559
Investment gains	119,040	11,180
Distributions	(139,196)	(378,029)
Balance, ending	$ 844,554	$ 864,710

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

	2023	2022
Interest and dividends	$ 1,882,994	$ 784,838
Realized gain on sale of investments	2,856,920	4,882,525
Unrealized gain (loss) on investments	7,123,398	(19,352,669)
Less investment fees	(126,324)	(170,821)
Total	$ 11,736,988	$ (13,856,127)

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, 2023 and 2022:

	Fair Value as of June 30		Unfunded	Redemption	Redemption
	2023	2022	Commitments	Frequency	Notice Period
Hedge fund (a)	$ 3,809,929	$ 2,973,691	None	Monthly	90 days
Hedge fund (b)	4,226,405	3,938,640	None	3 Years	90 days
Hedge fund (c)	3,779,707	3,620,927	None	Quarterly	60 days
Hedge fund (d)	144,213	2,749,967	None	Quarterly	45 days
Hedge fund (e)	4,575,038	4,501,607	None	Quarterly	60 days
Hedge fund (f)	3,300,756	2,996,915	None	Quarterly	60 days
Hedge fund (g)	1,656,139	1,063,855	$1,438,538	N/A	N/A
Limited Liability Company (h)	10,638,431	9,497,599	None	Monthly	10 days
Limited Partnership (i)	4,632,067	4,354,238	None	Annually	60 days
Limited Partnership (j)	1,925,413	1,685,254	$1,169,392	N/A	N/A
Limited Partnership (k)	1,722,386	660,000	$1,249,681	Monthly	90 days
Limited Partnership (l)	847,546	-	$1,197,559	N/A	N/A
	$ 41,258,030	$ 38,042,693			

Hedge Fund (a)

This hedge fund is an open-ended investment company that acts as a feeder fund in a master-feeder structure through which the fund invests in the Master Fund. Through its investment in the Master, the fund is an equity-focused portfolio, which incorporates sector-specific, market-neutral sub-portfolios, and various complementary equity-focused investment strategies. The fund is designed to generate consistent, long-term appreciation of assets through a hands-on approach. The fund invests in the equity market on a global basis with positions in the U.S., Europe, Asia and the Middle East.

Hedge Fund (b)

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 (c)

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 (d)

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% range, leading to lower market volatility and correlation over time. The strategy features moderate concentration, where top ten ideas typically represent under 60% of the portfolio.

Hedge Fund (e)

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 (f)

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 (g)

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% compared to many of its peers.

Limited Liability Company (h)

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%; representation of a particular industry does not exceed 25%.

Limited Partnership (i)

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 (j)

This limited partnership invests in a credit fund. This partnership is designed to provide privately negotiated credit solutions on a levered basis, to both emerging and established businesses within specified investment verticals. The fund primarily focuses on, small and medium enterprise loans, working capital loans, consumer, single family rental finance, commercial real estate loans, factoring/trade finance, legal lending, financial technology and real estate technology.

Limited Partnership (k)

This limited partnership invests in a multi-strategy hedge fund. The partnership acts as an investment vehicle with the purpose of making investments. The fund seeks attractive risk-adjusted returns primarily through debt or equity investments in asset-backed transactions. These will be in but not limited to, consumer finance, commercial finance, commercial and residential real estate, and other specialty finance asset classes, either directly or indirectly through new origination, secondary purchases or joint venture platforms.

Limited Partnership (I)

This limited partnership pursues a flexible all-weather investment strategy designed to produce attractive risk-adjusted returns in all market environments. The all-weather approach is underpinned by the partnership's intentional focus on a handful of investment verticals, which were selected as they provide a durable (multi-vintage) set of investment opportunities, benefit from secular tailwinds, are relatively insulated from market beta, and exhibit low correlation to one another. While the partnership expects to focus most of its time on privately originated transactions, during periods of severe market dislocation, the partnership will pivot into the public markets to take advantage of high-quality issuers trading at discounts to fundamental value.

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 $1,456,000 and $1,473,000 as of June 30, 2023 and 2022, respectively. The discount rates used to determine the present value of the split-interest agreements range between .80% and 7.60%. The Foundation has adequate reserves as of June 30, 2023 and 2022 to fund its charitable gift annuity obligations and is in compliance with Code of Maryland Regulations 31.09.07.03. As of June 30, 2023 and 2022, the annuity obligations were approximately $699,000 and $776,000, respectively.

Additionally, the Foundation is the remainderman of charitable remainder trusts for which it is not the trustee. As of June 30, 2023 and 2022, the balance was approximately $845,000 and $865,000, respectively.

6. Contributions Receivable

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

	2023	2022
Total contributions receivable	$ 5,192,709	$ 2,464,667
Less allowance for doubtful accounts	(100,000)	(100,000)
Less discount to present value	(199,599)	(64,712)
Net present value of contributions receivable	$ 4,893,110	$ 2,299,955
Amounts due in:		
One year or less	$ 747,794	$ 788,667
Two to five years	4,145,316	1,511,288
Total	$ 4,893,110	$ 2,299,955

The discount rate used to record amounts due in two to five years was between .17% and 4.40% 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:

	2023	2022
Purpose restrictions:		
Scholarships and awards	$ 16,451,807	$ 16,278,512
College support	49,516,460	39,716,566
Unappropriated endowment income:		
Scholarships and awards	4,092,684	3,764,283
College support	3,568,827	3,343,230
Endowments held in perpetuity:		
Scholarships and awards	26,420,774	25,433,138
College support	16,142,114	16,064,648
Total net assets with donor restrictions	$ 116,192,666	$ 104,600,377

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:

	2023	2022
Scholarships and awards	$ 3,221,986	$ 2,614,900
College support	3,527,016	2,261,188
Total net assets released from donor restrictions	$ 6,749,002	$ 4,876,088

General

The Foundation's endowment consists of 296 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 the College; (ii) awards, prizes and subventions to the College faculty and staff or other persons for outstanding achievements or services to the College; (iii) funds for the library, academic departments and for the administration of the College; (iv) support for the establishment, maintenance, building, improvement, operation and support of recreational rooms, places and buildings of the College; and (v) support for the functioning and operation of the curricular and extra-curricular activities of the 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% of the average of its previous five 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% over a full market cycle. This nominal rate of return approximates the long-term inflation rate of 3% plus the endowment's required annual spending rate of 4% 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, 2023:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment funds	$ 42,562,888	$ 7,661,511	$ 50,224,399

The changes in endowment net assets were as follows for the year ended June 30, 2023:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment net assets, beginning	$ 41,497,786	$ 7,107,513	$ 48,605,299
Contributions	961,834	83,937	1,045,771
Investment income	103,268	1,778,109	1,881,377
Appropriations	-	(1,308,048)	(1,308,048)
Endowment net assets, ending	$ 42,562,888	$ 7,661,511	$ 50,224,399

The following represents the composition of endowment net assets by fund type as of June 30, 2022:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment funds	$ 41,497,786	$ 7,107,513	$ 48,605,299

The changes in endowment net assets were as follows for the year ended June 30, 2022:

	With Donor Restrictions		
	Original Gift	Accumulated Gains	Total
Endowment net assets, beginning	$ 40,245,949	$ 6,514,630	$ 46,760,579
Contributions	1,624,362	106,356	1,730,718
Investment (loss) income	(374,568)	1,781,710	1,407,142
Change in value split-interest agreements	2,043	-	2,043
Appropriations	-	(1,295,183)	(1,295,183)
Endowment net assets, ending	$ 41,497,786	$ 7,107,513	$ 48,605,299

8. Pension

The Foundation has a 401(k) pension plan for its employees. For the years ended June 30, 2023 and 2022, the expense was approximately $64,000 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 $95,000 and $1,302,000, respectively, for the year ended June 30, 2023, and $92,000 and $1,282,000, respectively, for the year ended June 30, 2022, 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 $2,400,000 from two donors and $773,000 from two donors before discounting represent a significant portion of the total outstanding contributions receivable balance as of June 30, 2023 and 2022, respectively.

As of June 30, 2023 and 2022, approximately 47% and 49%, 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, 2023 and 2022, 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, 2023 and 2022, the Foundation has a commitment of $295,000 to fund the remaining construction retainage related to a Cinema Academy building at Steiner Studios.

12. Contributed Nonfinancial Assets

The Foundation recognized contributed nonfinancial assets within revenue, including occupancy, services, and materials and other support. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed occupancy is used for management and general and fundraising activities. In valuing the contributed occupancy, which is located on campus, the Foundation estimated the fair value of the rental based on current rates for similar rental locations.

Contributed services recognized are comprised of services from employees of the College used for management and general and fundraising activities. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current wages of the employees whose services are donated by the College.

Contributed materials and other support include donated artwork and collections and use of the copier machine/printer. The Foundation transferred the artwork that had been donated to the College during the prior year. The value of the artwork and collections was determined by appraisal. In valuing the copier/printer services, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for similar services used by the College.