

Bronx Community College Foundation, Inc.

Audited Financial Report

June 30, 2017

WILLIAM TAM

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Bronx Community College Foundation, Inc.
Bronx, New York**

We have audited the accompanying statements of financial position of Bronx Community College Foundation, Inc. (the Foundation) as of June 30, 2017 and 2016, and the related statements of activities, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 our judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation'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 Foundation'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2017 and 2016, 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.

New York, New York
August 18, 2017

Mei Yang CPA

BRONX COMMUNITY COLLEGE FOUNDATION, INC
 STATEMENTS OF NET ASSETS
 As of June 30, 2017 with comparative totals for June 30, 2016

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	Unrestricted	Temporarily Restricted	Permanently Restricted	Total June 30, 2017	Total June 30, 2016
Assets					
Current assets					
Cash and cash equivalents	\$197,218	\$955,092		\$1,152,310	\$1,070,707
Pooled investment (see note 6)		31,589	207,435	239,024	12,000
Accounts receivable		13,929		13,929	8,266
Prepaid expenses	504			504	504
Total assets	\$197,722	\$1,000,610	\$207,435	\$1,405,767	\$1,091,477
Liabilities and net assets					
Current liabilities					
Accounts payable and accrued expenses	\$21,366			\$21,366	\$14,458
Total current liabilities	21,366	0	0	21,366	14,458
Net assets					
Unrestricted	176,356			176,356	306,373
Temporarily restricted		1,000,610		1,000,610	
Permanently restricted			207,435	207,435	770,646
Total net assets	176,356	1,000,610	207,435	1,384,401	1,077,019
Total liabilities and net assets	\$197,722	\$1,000,610	\$207,435	\$1,405,767	\$1,091,477

See independent auditor's report.
 The accompanying notes are an integral part of these statements.

BRONX COMMUNITY COLLEGE FOUNDATION, INC
 STATEMENTS OF ACTIVITIES
 Years ended June 30, 2017 with comparative totals for June 30, 2016

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	Unrestricted	Temporarily Restricted	Permanently Restricted	Total June 30, 2017	Total June 30, 2016
Revenues					
Contributions (see note 5)		\$683,142	\$68,300	\$751,442	\$787,240
Fund-raising events (net)				0	106,044
Interest and investment income (see note 6)	1,475	11,611		13,086	958
Miscellaneous	12,806			12,806	0
Donated in-kind goods	50,500			50,500	49,708
Net assets released from restrictions	398,274	(398,274)		0	0
Total revenues	\$463,055	296,479	\$68,300	\$827,834	943,950
Operating expenses					
Program expenses (see note 5)					
Scholarship programs	44,909			44,909	54,287
Grants	346,976			346,976	385,596
Specific college programs	20,156			20,156	26,456
Other contributions	30,163			30,163	126,926
Donated in-kind goods	50,500			50,500	49,708
Total program expenses	492,704			492,704	642,973
Supporting expenses					
Management and general	27,748			27,748	24,314
Total supporting expenses	27,748			27,748	24,314
Total operating expenses	520,452			520,452	667,287
Increase in net assets	(57,397)	296,479	68,300	307,382	276,663
Net assets at beginning of year	306,373	770,646	0	1,077,019	800,356
Prior period reclassification (see note 7)	(72,620)	(66,515)	139,135	0	0
Net assets at end of year	\$176,356	\$1,000,610	207,435	\$1,384,401	\$1,077,019

See independent auditor's report.
 The accompanying notes are an integral part of these statements.

BRONX COMMUNITY COLLEGE FOUNDATION, INC
 STATEMENTS OF CASH FLOWS
 Years ended June 30, 2017 with comparative totals for June 30, 2016

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	Unrestricted	Temporarily Restricted	Permanently Restricted	Total June 30, 2017	Total June 30, 2016
Cash flows from operating activities					
Cash received from contributions	(\$72,620)	\$610,964	\$207,435	\$745,779	\$814,778
Cash received from fund raising event	12,806			12,806	177,085
Interest and investment income received	1,475	2,479		3,954	958
Cash paid for college support, grants & scholarships	(442,204)			(442,204)	(593,265)
Cash paid to fund raising event				0	(56,542)
Cash paid to suppliers	(20,840)			(20,840)	(62,066)
Cash released from temporarily restricted	398,274	(398,274)		0	0
Net cash provided (used) by operating activities	(123,109)	\$215,169	207,435	299,495	280,948
Cash flows from investing activities					
Increase in investments		(10,457)	(207,435)	(217,892)	(12,000)
Net cash provided (used) by investing activities	0	(10,457)	(207,435)	(217,892)	(12,000)
Net increase (decrease) in cash and cash equivalents	(123,109)	204,712	0	81,603	268,948
Cash and cash equivalents at beginning of year	320,327	750,380	0	1,070,707	801,759
Cash and cash equivalents at end of year	197,218	955,092	0	1,152,310	1,070,707
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities					
Increase (decrease) in net assets	(57,397)	296,479	68,300	307,382	276,663
Adjustment to reconcile income from operations to net cash provided by operating activities					
Less unrealized gain on pooled investment		(9,132)		(9,132)	0
Prior period reclassification	(72,620)	(66,515)	139,135	0	0
Decrease (Increase) in accounts receivable		(5,663)		(5,663)	6,233
Decrease (Increase) in prepaid expenses				0	51
Increase (Decrease) in accounts payable and accrued expenses	6,908			6,908	(1,999)
Net cash provided (used) by operating activities	(\$123,109)	\$215,169	207,435	\$299,495	\$280,948

See independent auditor's report.
 The accompanying notes are an integral part of these statements.

BRONX COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Note 1. Organization

The Bronx Community College Foundation, Inc. (The Foundation) was incorporated for the purpose of providing supports for student scholarships, faculty research, program development, community education and cultural enrichment, and the Hall of Fame for Great Americans.

The major sources of revenue are contributions from alumni, corporations and foundations.

Note 2. Summary of Significant Accounting Policies

Financial statement presentation follows the requirements of the Financial Accounting Standards Board Statement #117, Financial Statement of Not-for-Profit Organizations. Under this standard, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets represent those resources that are not subject to donor restrictions.

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes.

Permanently restricted net assets represent those resources that are subject to donor-imposed stipulations that they be maintained permanently by the Foundation. The Foundation has no permanently restricted assets.

The books and records of the Foundation are maintained on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

The Foundation considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

The Foundation is exempted from Federal income tax under section 501(c)(3) of the United States Internal Revenue Code and from state and local taxes under comparable laws.

The Foundation had taken no uncertain tax positions that require adjustment to the financial statements.

BRONX COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2017

Note 2. Summary of Significant Accounting Policies - Continued

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues and expenses and disclosures of contingencies. Accordingly, actual results may differ from those estimates.

Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional. Donor restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Prior-year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Note 3. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions. The Foundation places its cash and cash equivalents accounts with high-quality financial institutions and the balances are insured by the FDIC up to \$250,000. The Foundation does not believe there is a significant risk of loss on these accounts.

Note 4. Donated Services and In-kind Goods

The Foundation utilizes certain professional services provided by the College at no cost. Such costs are not recorded in the accompanying financial statements as neither the College nor the Foundation have a clearly measurable or objective basis for determining value of such space and services. The Foundation received certain in-kind goods from various companies and individuals, which have a fair value of \$50,500 and \$49,708 for the years ended June 30, 2017 and 2016 respectively, and they were used in certain college programs.

The fair values of in-kind goods are included in both revenues and expenses in the accompanying statement of activities.

Note 5. Temporarily Restricted Assets

	Balance July 1, 2016	Income	Amount Released	Prior Period Adjustment	Balance June 30, 2017
Specific college programs					
Alumni Homecoming	\$1,897	\$6,639	\$6,082		\$2,454
Entrepreneurship Education	46,200	25,000	3,070		68,130
Run The Bronx Fund	45,468	28,864	11,004		63,328
Grants					
Capital One Foundation	0				0
CASE District II Workshop	2,000				2,000
Con Edison Scholarship	50,000	9,903	5,000	50,000	4,903
Future Now College	79,799				79,799
Get Psych'd Training Program	0				0
Preschool Career Path Program	2,272				2,272
Rudin Fdn , Luis & Rachel	72,340	85,000	133,675		23,665
The Carroll and Milton Petrie Emergency Fund	63,743	110,308	123,413		50,638
The Lincoln Fund	16,058	25,000	40,958		100
Scholarship programs					
Alumni Scholarship Fund	5,787	2,613	5,786		2,614
BCC Assoc Donations	1,000				1,000
BCC Association of LatinoCoss Scholarship		250			250
BCC Association of Latino GRIT Scholarship		250	250		-
Biology Scholarship	2,175		150		2,025
Chemistry and Chemical Technology	7,715	5,125	4,779		8,061
Claude D Grant Scholarship	7,290		250		7,040
Coleman Scholarship	6,114				6,114
Cummins Scholarship	4,505	2,000	500		6,005
David Hernandez Memorial	2,026	100	1,000		1,126
David and Pastora Blot Fund	1,197				1,197
Debra Gonsler Fund	13,883		600		13,283
Distinguished Scholar Studies		10,000	6,100		3,900
Dr. Samuel Acosta Memorial	0	350	350		0
Encore Capital Group School	0				0
Faculty For Student Scholarship	215				215
Franklin Women's Health		1,000			1,000
General Emergency Fund	3,024	2,107			5,131
General Scholarship	705	1,382	900		1,187
Harvey L Bass Memorial	675	350	150		875
Health,Physical Education & Welfare	20				20
Help a Bronco Graduate Scholarship	985	3,714	985		3,714
Kalief Browder Memorial Scholarship	16,515			16,515	0
Keizs Family Scholarship	1,804		1,804		0
Leadership Awards	12,463	13,916			26,379
Lieblich Learning Fund	150				150
Martin May Memorial	2,250	500	100		2,650
Mary and Ika Goodwin Memorial	1,750				1,750
Miscellaneous	1,684				1,684
M Nesbitt Promise	2,500	5,000	7,500		0
Parley Scholarship	5,355	10,000	8,605		6,750

BRONX COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2017

Note 5. Temporarily Restricted Assets - Continued

	Balance July 1, 2016	Income	Amount Released	Prior Period Adjustment	Balance June 30, 2017
Scholarship programs - continued					
Pershing Rifles Scholarship	7,877	2,252	2,500		7,629
Pina Capone Memorial Essay Fund	172	375	250		297
Quattlebaum Scholarship	12,100	2,303	250		14,153
Robert Clarke Memorial	6,370				6,370
Roscoe Brown Scholarship	4,000		500		3,500
Samuel Ehrenpreis Fund	40				40
Schaumberger Scholarship	9,912	260	500		9,672
Steerman Scholarship	19,611				19,611
Steve Garfinkel Scholarship	300	500	200		600
Student Development Fund	6,623		900		5,723
Student Tuition Assistance	1,839				1,839
W.Leoney Scholarship	424				424
Wayne Cooper Scholarship	100				100
William Schwendler Memorial Fund	4,500	13,916			18,416
Yankees Scholarship Fund	0				0
Other contributions					
Alumni Association Fund	856	100			956
BCC Cares Emergency Relief Fund	2,735				2,735
CLIP Fund	2,000				2,000
Environmental Tech Program	812				812
Gateway Appeal Fund	126				126
Green and Gold Fund	38,428	29,970	14,145		54,253
Hall of Fame - Great Americans	8,014	541			8,555
Haiti Relief Fund	526				526
Human Service Fund	100				100
Immigration Project Fund	64,759				64,759
Media Technology	1,411	4,460	3,200		2,671
NYU Heights Alumni Challenge	2,430				2,430
Planned Giving Fund	10,000				10,000
Project Hire	1,000				1,000
Restoration Fund	175				175
Save GML Fund	81,089	290,705	12,818		358,976
Sustainable Energy Fund	753				753
	\$770,646	\$694,753	\$398,274	\$66,515	\$1,000,610

BRONX COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2017

Note 6. Investments

Investments are held in trust and invested with CUNY investment pool. The cost and fair value of investments as of June 30, 2017 and 2016 are as follows:

	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Fair Market Value</u>	<u>Cost Basis</u>	<u>Fair Market Value</u>	<u>Cost Basis</u>
CUNY Investment Pool	<u>\$ 239,024</u>	<u>\$ 227,585</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>

The fair value is defined as 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.

The following schedule summarizes Foundation's investment income for each fiscal year:

	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Interest and dividend	\$ 1,475	\$ (218)	\$ 958	\$ 0
Net realized gains (losses)		1,366		0
Net unrealized gains (losses)		10,463		0
	<u>\$ 1,475</u>	<u>\$ 11,611</u>	<u>\$ 958</u>	<u>\$ 0</u>

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation's balance sheet.

Note 7. Prior Period Reclassification

Money contributed from Con Edison are Kalif Browder, in the amount of \$50,000 and \$89,135 which were previously booked as revenues under unrestricted sources, were reclassified as permanently restricted at the request of the donors.

BRONX COMMUNITY COLLEGE FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED JUNE 30, 2017

Note 8. Permanently Restricted Assets

	Balance		Amount	Prior Period	Balance
	July 1, 2016	Income	Released	Adjustment	June 30, 2017
Con Edison	\$0	\$50,000	\$0	\$50,000	\$100,000
Kalief Browder Memorial Scholarship	0	18,300	0	89,135	107,435
	<u>\$0</u>	<u>\$68,300</u>	<u>\$0</u>	<u>\$139,135</u>	<u>\$207,435</u>

Note 9. Subsequent Events

The Foundation evaluated subsequent events through August 18, 2017 which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.