THE CITY UNIVERSITY OF NEW YORK SCHOOL OF LAW FOUNDATION, INC.

Financial Statements

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The City University of New York
School of Law Foundation, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The City University of New York School of Law Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The City University of New York School of Law Foundation, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audits.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 12, 2024

THE CITY UNIVERSITY OF NEW YORK SCHOOL OF LAW FOUNDATION, INC.

Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Assets:		
Cash and equivalents	$ 3,649,329	3,263,137
Contributions receivable, net	2,662,782	2,191,677
Investments in CUNY investment pool	5,485,709	5,252,788
Prepaid expenses	5,851	4,330
Total assets	$ 11,803,671	10,711,932
Liabilities and Net Assets		
Liabilities - accounts payable and accrued expenses	429,118	140,196
Net assets:		
Without donor restrictions	708,308	608,684
With donor restrictions	10,666,245	9,963,052
Total net assets	11,374,553	10,571,736
Total liabilities and net assets	$ 11,803,671	10,711,932

See accompanying notes to financial statements.

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statement of Activities
Year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions and grants	$ 79,390	2,372,812	2,452,202
Contributed nonfinancial assets	452,145	-	452,145
Net investment income	187,822	271,541	459,363
Net assets released from restrictions	1,941,160	(1,941,160)	-
Total revenue	2,660,517	703,193	3,363,710
Expenses:			
Program services:			
Fellowships and education	478,744	-	478,744
Centers, projects and programs	1,545,547	-	1,545,547
Total program services	2,024,291	-	2,024,291
Supporting services:			
Fundraising	241,524	-	241,524
Management and general	295,078	-	295,078
Total supporting services	536,602	-	536,602
Total expenses	2,560,893	-	2,560,893
Change in net assets	99,624	703,193	802,817
Net assets at beginning of year	608,684	9,963,052	10,571,736
Net assets at end of year	$ 708,308	10,666,245	11,374,553

See accompanying notes to financial statements.

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statement of Activities
Year ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue:			
Contributions and grants	$ 167,218	3,466,096	3,633,314
Contributed nonfinancial assets	564,607	-	564,607
Net investment income	60,058	214,027	274,085
Net assets released from restrictions	1,393,146	(1,393,146)	-
Total revenue	2,185,029	2,286,977	4,472,006
Expenses:			
Program services:			
Fellowships and education	452,844	-	452,844
Centers, projects and programs	1,093,264	-	1,093,264
Total program services	1,546,108	-	1,546,108
Supporting services:			
Fundraising	391,920	-	391,920
Management and general	253,002	-	253,002
Total supporting services	644,922	-	644,922
Total expenses	2,191,030	-	2,191,030
Change in net assets	(6,001)	2,286,977	2,280,976
Net assets at beginning of year	614,685	7,676,075	8,290,760
Net assets at end of year	$ 608,684	9,963,052	10,571,736

See accompanying notes to financial statements.

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statement of Functional Expenses
Year ended June 30, 2024

	Program Services							Supporting Services			
	Fellowships and education	Sorensen Center	CLEAR	CED	GLPP	All other	Total program services	Fundraising	Management and general	Total supporting services	Total
Fellowships	$ 478,744	110,500	-	-	-	-	589,244	-	-	-	589,244
Program expenses	-	20,962	77,522	75,210	178,139	66,640	418,473	-	-	-	418,473
Salaries	-	50,645	241,996	33,225	131,194	222,043	679,103	-	-	-	679,103
Fringe benefits and payroll taxes	-	1,863	128,550	19,611	67,957	119,490	337,471	-	-	-	337,471
Insurance	-	-	-	-	-	-	-	-	8,507	8,507	8,507
Professional fees	-	-	-	-	-	-	-	-	31,975	31,975	31,975
Bank charges	-	-	-	-	-	-	-	1,202	-	1,202	1,202
Staff development and relations	-	-	-	-	-	-	-	42,773	-	42,773	42,773
Contributed nonfinancial assets	-	-	-	-	-	-	-	197,549	254,596	452,145	452,145
Total expenses	$ 478,744	183,970	448,068	128,046	377,290	408,173	2,024,291	241,524	295,078	536,602	2,560,893

See accompanying notes to financial statements.

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statement of Functional Expenses
Year ended June 30, 2023

	Program Services							Supporting Services			
	Fellowships and education	Sorensen Center	CLEAR	CED	GLPP	All other	Total program services	Fundraising	Management and general	Total supporting services	Total
Fellowships	$ 452,844	189,750	-	-	-	-	642,594	-	-	-	642,594
Program expenses	-	17,274	42,255	115,091	90,785	57,440	322,845	-	-	-	322,845
Salaries	-	63,515	200,686	11,948	96,843	9,852	382,844	-	-	-	382,844
Fringe benefits and payroll taxes	-	8,126	107,632	6,749	52,821	9,011	184,339	-	-	-	184,339
Reunion and alumni events	-	-	-	-	-	12,879	12,879	-	-	-	12,879
Insurance	-	-	-	-	-	-	-	-	6,807	6,807	6,807
Professional fees	-	-	-	-	-	-	-	-	43,060	43,060	43,060
Bank charges	-	-	-	-	-	-	-	1,588	-	1,588	1,588
Staff development and relations	-	-	-	-	-	-	-	28,860	-	28,860	28,860
Contributed nonfinancial assets	-	-	-	-	-	-	-	361,472	203,135	564,607	564,607
Bad debt expense	-	-	-	-	-	607	607	-	-	-	607
Total expenses	$ 452,844	278,665	350,573	133,788	240,449	89,789	1,546,108	391,920	253,002	644,922	2,191,030

See accompanying notes to financial statements.

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statements of Cash Flows
Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 802,817	2,280,976
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(234,913)	(163,038)
Bad debt	-	607
Changes in:		
Contributions receivable	(471,105)	(865,856)
Others receivables	-	3,140
Due from related parties	-	599
Prepaid expenses	(1,521)	(542)
Accounts payable and accrued expenses	288,922	28,570
Due to related parties	-	(17,049)
Net cash provided by operating activities	384,200	1,267,407
Cash flows from investing activities:		
Purchase of investments	(173,973)	(108,992)
Proceeds from sales of investments	175,965	138,307
Net cash provided by investing activities	1,992	29,315
Net change in cash and equivalents	386,192	1,296,722
Cash and equivalents at beginning of year	3,263,137	1,966,415
Cash and equivalents at end of year	$ 3,649,329	3,263,137

See accompanying notes to financial statements.

(1) Nature of Organization

The City University of New York School of Law Foundation, Inc. (the Foundation) is a New York State not-for-profit corporation, which serves as a repository for gifts to The City University of New York Law School (the CUNY Law School).

As an integral part of its mission of maintaining and strengthening the academic excellence of the CUNY Law School, the Foundation administers funds, the proceeds of which are used to support the educational needs of the CUNY Law School such as scholarships, special academic programs and other activities. The Foundation also manages restricted accounts and allocates the income from these accounts as prescribed by their donors.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Foundation’s activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation.

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash and Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Concentrations

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and equivalent accounts in financial institutions. The Foundation maintains financial instruments at financial institutions which periodically may exceed the federally insured limits. At June 30, 2024 and 2023, the Foundation had \$3,465,065 and \$3,074,358, in excess of the federally insured limits.

(2) Summary of Significant Accounting Policies, Continued

(e) Concentrations, Continued

At June 30, 2024, contributions receivable from five donors amounted to $2,435,290, which represented 91% of contributions receivable. At June 30, 2023, contributions receivable from five donors amounted to $2,165,677, which represented 99% of contributions receivable. The Foundation regularly monitors its contributions receivable by investigating delayed payments and differences when payments received do not conform to the payment schedules. At June 30, 2024 and 2023, the Foundation deemed it unnecessary to hold an allowance for doubtful accounts.

(f) Investments

The Foundation's investments are held by CUNY in an investment pool which is under the control of the Committee on Fiscal Affairs of the Board of Trustees of CUNY (the Committee). Several investment advisory firms are engaged to assist the Committee in its investment pool portfolio management, which is comprised of cash and cash equivalents, corporate bonds, equities, mutual funds, U.S. agency mortgage-backed securities, U.S. government bonds and foreign bonds. Realized and unrealized gains and losses are included in the statements of activities as changes in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

(g) Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Level 2 assets are those whose inputs to the valuation methodology are determined by quoted prices for similar assets in active markets. Investments held by the Foundation are classified as level 2 in the fair value hierarchy.

(h) Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using variable risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met. Interest is not charged or recorded on outstanding receivables.

(i) Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost if purchased or at fair value at the date of the gift, if contributed. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

(2) Summary of Significant Accounting Policies, Continued

(j) Contributions and Grants

Contributions and grants received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. 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 as net assets released from restrictions. Restricted contributions in which the restriction is met in the same period as received are reported as net assets without donor restrictions.

(k) Contributed Nonfinancial Assets

The Foundation operates on the campus of the CUNY Law School and, as such, office space and certain services are made available to it. Contributed salaries and related benefits are compromised of financial and administrative services related to the operations of the Foundation. Amounts represent an estimated percentage of time worked on Foundation related activity. Contributed space represents the Foundation's share of the building in which the Foundation operates. The square footage rate used in the calculation is based on similar office space in the surrounding area. The estimated cost savings associated with contributed services and facilities, which amounted to $452,145 and $564,607 during the years ended June 30, 2024 and 2023, respectively, are reflected in the accompanying statements of activities as both revenue and expenses.

(l) Functional Allocation of Expenses

The costs of providing the Foundation's programs and services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. All expenses related to providing these services have been allocated to program services with the exception of certain administrative expenses. Salaries and benefits are allocated among programs and support services based on time and effort. Other expenses are allocated based on direct usage.

(m) Subsequent Events

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

(2) Summary of Significant Accounting Policies, Continued

(n) Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Foundation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Foundation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Foundation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Foundation are subject to examination by taxing authorities.

(o) New Accounting Policies

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

(3) Liquidity

The Foundation has $6,473,135 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of $3,649,329 of cash and equivalents, $1,603,504 of short term investments, and $1,220,302 of current receivables. Some of the receivables are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2024 statement of financial position.

(4) Contributions Receivable

Contributions receivable, net at June 30, 2024 and 2023 consists of the following:

	2024	2023
Due within one year	$ 1,220,302	1,351,000
Two to five years	1,100,000	500,000
Thereafter	1,000,000	1,000,000
	3,320,302	2,851,000
Less - discount to net present value	(657,520)	(659,323)
Net contributions receivable	$ 2,662,782	2,191,677

(5) Investments in CUNY Investment Pool and Related Investment Income

The Foundation's investments in the CUNY investment pool are comprised of assets which are pooled and invested by and under the control of the Committee. Pooled investments include equity and fixed income securities. Investments as of June 30, 2024 and 2023, are comprised of the following:

	2024	2023
Investments in CUNY investment pool - short term	$ 1,603,504	1,516,158
Investments in CUNY investment pool - long term	3,882,205	3,736,630
Total investments in CUNY investment pool	$ 5,485,709	5,252,788

The following table summarizes the activity of investments during the years ended June 30, 2024 and 2023:

Balance at June 30, 2022	$ 5,119,065
Interest and dividends	88,739
Realized gains	48,522
Unrealized gains	114,516
Purchases	20,253
Sales, net	(138,307)
Balance at June 30, 2023	5,252,788
Interest and dividends	123,973
Realized gains	39,859
Unrealized gains	195,054
Purchases	50,000
Sales, net	(175,965)
Balance at June 30, 2024	$ 5,485,709

(5) Investments in CUNY Investment Pool and Related Investment Income, Continued

Net investment income from the CUNY investment pool during the years ended June 30, 2024 and 2023 is summarized as follows:

	2024	2023
Interest and dividends	$ 123,973	88,739
Net realized gains	39,859	48,522
Net unrealized gains	195,054	114,516
Total CUNY investment pool income	$ 358,886	251,777

(6) Furniture, Fixtures and Equipment

Furniture, fixtures and equipment at June 30, 2024 and 2023 consists of the following:

	Estimated useful lives	2024	2023
Computer equipment	5 years	$ 69,363	69,363
Furniture and fixtures	7 years	116,154	116,154
Subtotal		185,517	185,517
Less accumulated depreciation		(185,517)	(185,517)
Net furniture, fixtures and equipment		$ -	-

(7) Net Assets With Donor Restrictions

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

	2024	2023
Time or purpose restriction:		
Fellowship/scholarships	$ 739,445	695,207
Haywood Burns' Chair on Civil Rights	199,913	152,893
David Fields Fund	435,290	405,944
Sorensen Center Fund	852,893	868,612
Creating Law Enforcement Accountability and Responsibility	4,194,905	3,504,649
Gender Law and Policy	412,196	500,790
Other	762,859	870,288
Total time or purpose restriction	7,597,501	6,998,383

(7) Net Assets With Donor Restrictions, Continued

		2024	2023
Endowment:			
Fellowship	$	648,092	544,017
Haywood Burns' Chair on Civil Rights		522,921	522,921
International Women Human Rights Law Clinic		150,000	150,000
Lecture Series		81,000	81,000
Sorensen Center Fund		1,666,731	1,666,731
Total endowment		3,068,744	2,964,699
Total	$	10,666,245	9,963,052

(8) Endowment

The Foundation classifies as net assets with donor restrictions: (a) the original value of gifts contributed 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 Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the Foundation and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, (7) the Foundation's investment policies and (8) where appropriate, alternatives to spending from the donor-restricted endowment funds and the possible effects of those alternatives on the Foundation.

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified assets allocation that places an emphasis on fixed income investments to achieve its long-term return objectives within prudent risk parameters.

(8) Endowment, Continued

The spending policy calculates the amount of money annually distributed from the Foundation's various endowment funds for grant making and administration. The current spending policy is to distribute 5% of the endowment assets.

Endowment net asset composition consists of $3,068,744 and $2,964,669 which is included in net assets with donor restrictions as of June 30, 2024 and 2023, respectively.

Changes in net assets with donor restrictions for the years ended June 30, 2024 and 2023 are as follows:

	Time restrictions	Endowment restrictions	Total
Endowment net assets at June 30, 2022	$ 534,936	2,944,569	3,479,505
Investment gain, net	196,758	-	196,758
Contributions to endowment	-	20,100	20,100
Amounts appropriated for expenditure	(123,988)	-	(123,988)
Endowment net assets at June 30, 2023	607,706	2,964,669	3,572,375
Investment gain, net	250,092	-	250,092
Contributions to endowment	-	104,075	104,075
Amounts appropriated for expenditure	(161,086)	-	(161,086)
Endowment net assets at June 30, 2024	$ 696,712	3,068,744	3,765,456

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or New York Prudent Management of Institutional Funds Act (NYPMIFA) require the Foundation to retain as a fund of perpetual duration. At June 30, 2024 and 2023 there are no deficiencies of this nature.