

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

Financial Statements

June 30, 2021 and 2020

(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 Financial Statements

We have audited the accompanying financial statements of The City University of New York School of Law Foundation, Inc. (the Foundation) (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 7, 2021

THE CITY UNIVERSITY OF NEW YORK
SCHOOL OF LAW FOUNDATION, INC.
Statements of Financial Position
June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Assets:		
Cash and equivalents	\$ 2,580,069	2,945,399
Investments in CUNY investment pool	3,941,335	3,362,972
Contributions receivable, net	724,001	878,481
Other receivables	3,140	12,884
Due from related parties	599	3,227
Prepaid expenses	3,167	6,323
Furniture, fixtures and equipment, net	-	5,436
Total assets	<u>\$ 7,252,311</u>	<u>7,214,722</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	139,521	130,589
Deferred revenue	-	10,545
Due to related parties	6,000	182,639
Promissory note - paycheck protection program	66,970	66,970
Total liabilities	<u>212,491</u>	<u>390,743</u>
Net assets:		
Without donor restrictions	725,687	1,299,279
With donor restrictions	6,314,133	5,524,700
Total net assets	<u>7,039,820</u>	<u>6,823,979</u>
Total liabilities and net assets	<u>\$ 7,252,311</u>	<u>7,214,722</u>

See accompanying notes to financial statements.

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

Statement of Activities
Year ended June 30, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions and grants	\$ 211,161	1,225,549	1,436,710
Contributed services	488,413	-	488,413
Contributed facilities	119,074	-	119,074
Net investment income	2,847	592,790	595,637
Other income	56,410	-	56,410
Net assets released from restrictions	<u>1,028,906</u>	<u>(1,028,906)</u>	<u>-</u>
Total revenue	<u>1,906,811</u>	<u>789,433</u>	<u>2,696,244</u>
Expenses:			
Program services:			
Fellowships and education	899,331	-	899,331
Court Square Law	432,464	-	432,464
Centers, projects and programs	<u>567,869</u>	<u>-</u>	<u>567,869</u>
Total program services	<u>1,899,664</u>	<u>-</u>	<u>1,899,664</u>
Supporting services:			
Fundraising	348,959	-	348,959
Management and general	<u>231,780</u>	<u>-</u>	<u>231,780</u>
Total supporting services	<u>580,739</u>	<u>-</u>	<u>580,739</u>
Total expenses	<u>2,480,403</u>	<u>-</u>	<u>2,480,403</u>
Change in net assets	(573,592)	789,433	215,841
Net assets at beginning of year	<u>1,299,279</u>	<u>5,524,700</u>	<u>6,823,979</u>
Net assets at end of year	<u>\$ 725,687</u>	<u>6,314,133</u>	<u>7,039,820</u>

See accompanying notes to financial statements.

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

Statement of Activities
Year ended June 30, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions and grants	\$ 291,800	1,303,427	1,595,227
Contributed services	186,586	-	186,586
Contributed facilities	128,692	-	128,692
Net investment income	17,055	139,785	156,840
Other income	258,192	-	258,192
Net assets released from restrictions	<u>1,485,155</u>	<u>(1,485,155)</u>	<u>-</u>
Total revenue	<u>2,367,480</u>	<u>(41,943)</u>	<u>2,325,537</u>
Expenses:			
Program services:			
Fellowships and education	591,204	-	591,204
Court Square Law	691,446	-	691,446
Centers, projects and programs	<u>508,814</u>	<u>-</u>	<u>508,814</u>
Total program services	<u>1,791,464</u>	<u>-</u>	<u>1,791,464</u>
Supporting services:			
Fundraising	59,711	-	59,711
Management and general	<u>188,500</u>	<u>-</u>	<u>188,500</u>
Total supporting services	<u>248,211</u>	<u>-</u>	<u>248,211</u>
Total expenses	<u>2,039,675</u>	<u>-</u>	<u>2,039,675</u>
Change in net assets	327,805	(41,943)	285,862
Net assets at beginning of year	<u>971,474</u>	<u>5,566,643</u>	<u>6,538,117</u>
Net assets at end of year	<u>\$ 1,299,279</u>	<u>5,524,700</u>	<u>6,823,979</u>

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, 2021

	Program Services							Supporting Services				
	Fellowships and <u>education</u>	Court <u>Square Law</u>	Sorensen <u>Center</u>	<u>CLEAR</u>	<u>CED</u>	<u>GLPP</u>	All <u>other</u>	Total program <u>services</u>	<u>Fundraising</u>	Management and <u>general</u>	Total supporting <u>services</u>	<u>Total</u>
Fellowships	\$ 899,331	-	-	-	-	-	-	899,331	-	-	-	899,331
Program expenses	-	20,234	10,437	44,218	5,414	42,754	37,166	160,223	-	-	-	160,223
Salaries	-	271,961	30,338	162,898	89,944	-	-	555,141	-	-	-	555,141
Fringe benefits and payroll taxes	-	33,048	-	84,541	55,371	-	-	172,960	-	-	-	172,960
Reunion and alumni events	-	-	-	-	-	-	4,788	4,788	-	-	-	4,788
Insurance	-	4,471	-	-	-	-	-	4,471	-	4,907	4,907	9,378
Professional fees	-	-	-	-	-	-	-	-	-	48,715	48,715	48,715
Bank charges	-	-	-	-	-	-	-	-	1,500	-	1,500	1,500
Staff development and relations	-	-	-	-	-	-	-	-	15,444	-	15,444	15,444
Contributed facilities	-	102,750	-	-	-	-	-	102,750	10,860	5,464	16,324	119,074
Contributed services	-	-	-	-	-	-	-	-	321,155	167,258	488,413	488,413
Depreciation	-	-	-	-	-	-	-	-	-	5,436	5,436	5,436
Total expenses	<u>\$ 899,331</u>	<u>432,464</u>	<u>40,775</u>	<u>291,657</u>	<u>150,729</u>	<u>42,754</u>	<u>41,954</u>	<u>1,899,664</u>	<u>348,959</u>	<u>231,780</u>	<u>580,739</u>	<u>2,480,403</u>

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, 2020

	Program Services							Supporting Services				Total
	Fellowships and education	Court Square Law	Sorensen Center	CLEAR	CED	GLPP	All other	Total program services	Fundraising	Management and general	Total supporting services	
Fellowships	\$ 591,204	-	-	-	-	-	-	591,204	-	-	-	591,204
Program expenses	-	21,106	35,102	31,168	79,216	24,349	8,727	199,668	-	-	-	199,668
Salaries	-	447,759	30,213	114,470	79,978	-	-	672,420	-	-	-	672,420
Fringe benefits and payroll taxes	-	93,260	-	55,558	46,999	-	-	195,817	-	-	-	195,817
Reunion and alumni events	-	-	-	-	-	-	3,034	3,034	-	-	-	3,034
Insurance	-	6,021	-	-	-	-	-	6,021	-	4,725	4,725	10,746
Professional fees	-	-	-	-	-	-	-	-	-	31,694	31,694	31,694
Bank charges	-	-	-	-	-	-	-	-	1,048	-	1,048	1,048
Staff development and relations	-	-	-	-	-	-	-	-	14,747	-	14,747	14,747
Contributed facilities	-	123,300	-	-	-	-	-	123,300	1,100	4,292	5,392	128,692
Contributed services	-	-	-	-	-	-	-	-	42,816	143,770	186,586	186,586
Depreciation	-	-	-	-	-	-	-	-	-	4,019	4,019	4,019
Total expenses	<u>\$ 591,204</u>	<u>691,446</u>	<u>65,315</u>	<u>201,196</u>	<u>206,193</u>	<u>24,349</u>	<u>11,761</u>	<u>1,791,464</u>	<u>59,711</u>	<u>188,500</u>	<u>248,211</u>	<u>2,039,675</u>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 215,841	285,862
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,436	4,019
Net realized and unrealized gains on investments	(554,670)	(94,791)
Changes in:		
Contributions receivable	133,330	239,927
Others receivables	9,744	(3,640)
Due from related parties	2,628	37,763
Prepaid expenses	3,156	419
Accounts payable and accrued expenses	8,932	29,990
Deferred revenue	(10,545)	(88,675)
Due to related parties	<u>(176,639)</u>	<u>180,443</u>
Net cash provided by (used in) operating activities	<u>(362,787)</u>	<u>591,317</u>
Cash flows from investing activities:		
Purchase of investments	(133,722)	(44,994)
Proceeds from sales of investments	<u>110,029</u>	<u>117,561</u>
Net cash provided by (used in) investing activities	<u>(23,693)</u>	<u>72,567</u>
Cash flows from financing activities:		
Private gifts for restricted endowments	21,150	-
Proceeds from promissory note - paycheck protection program	<u>-</u>	<u>66,970</u>
Net cash provided by financing activities	<u>21,150</u>	<u>66,970</u>
Net change in cash and equivalents	(365,330)	730,854
Cash and equivalents at beginning of year	<u>2,945,399</u>	<u>2,214,545</u>
Cash and equivalents at end of year	<u>\$ 2,580,069</u>	<u>2,945,399</u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2021 and 2020

(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

At times, the Foundation's cash and equivalents balance may exceed federally insured limits. At June 30, 2021 and 2020, the Foundation's cash balances were in excess of this insurable limit. The Foundation monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(e) Concentrations, Continued

At June 30, 2021, contributions receivable from three donors amounted to \$598,055, which represented 83% of contributions receivable. At June 30, 2020, contributions receivable from three donors amounted to \$629,253, which represented 72% 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, 2021 and 2020, the Foundation had an allowance for doubtful accounts in the amount of \$18,352.

(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 risk-adjusted interest rates (1.6% in 2021 and 2020) 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.

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

Notes to Financial Statements, Continued

(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 Services and Facilities

The Foundation operates on the campus of the CUNY Law School and, as such, office space and certain services are made available to it. The cost savings associated with contributed services and facilities, which amounted to \$607,487 and \$315,278 during the years ended June 30, 2021 and 2020, 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.

On July 23, 2021, the Foundation had the paycheck protection program loan in the amount of \$66,970 fully forgiven. The Foundation will recognize the revenue in the next fiscal year.

(n) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Foundation and its future results and financial position is not presently determinable.

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

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(o) 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.

(p) Reclassifications

Reclassifications have been made to certain 2020 balances in order to conform them to the 2021 presentation.

(3) Liquidity

The Foundation has \$2,954,754 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$2,580,069 of cash and equivalents and \$374,685 of receivables. Some of the receivables are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2021 statement of financial position.

(4) Contributions Receivable

Contributions receivable, net at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 389,298	542,580
Two to five years	-	25,000
Thereafter	<u>1,000,000</u>	<u>1,000,000</u>
	1,389,298	1,567,580
Less:		
Discount to net present value	(646,945)	(670,747)
Allowance for uncollectible pledges	<u>(18,352)</u>	<u>(18,352)</u>
Net contributions receivable	\$ <u>724,001</u>	<u>878,481</u>

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

Notes to Financial Statements, Continued

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

The Foundation's investments in the CUNY investment pool comprise 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, 2021 and 2020, are comprised of the following:

	<u>2021</u>	<u>2020</u>
Investments in CUNY investment pool	\$ <u>3,941,335</u>	<u>3,362,972</u>

The following table summarizes the activity of investments during the years ended June 30, 2021 and 2020:

Balance at June 30, 2019		\$ 3,340,748
Interest and dividends		44,994
Realized gain		70,023
Unrealized gain		24,768
Sales, net		<u>(117,561)</u>
Balance at June 30, 2020		3,362,972
Interest and dividends		38,120
Realized gain		47,368
Unrealized gain		507,302
Purchases		95,602
Sales, net		<u>(110,029)</u>
Balance at June 30, 2021		\$ <u>3,941,335</u>

Net investment income from the CUNY investment pool during the years ended June 30, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 38,120	44,994
Net realized gains	47,368	70,023
Net unrealized gains	<u>507,302</u>	<u>24,768</u>
Total investment income	\$ <u>592,790</u>	<u>139,785</u>

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

Notes to Financial Statements, Continued

(6) Furniture, Fixtures and Equipment

Furnitures, fixtures and equipment at June 30, 2021 and 2020 consists of the following:

	<u>Estimated useful lives</u>	<u>2021</u>	<u>2020</u>
Computer equipment	5 years	\$ 69,363	69,363
Furniture and fixtures	7 years	<u>116,154</u>	<u>116,154</u>
Subtotal		185,517	185,517
Less accumulated depreciation		<u>(185,517)</u>	<u>(180,081)</u>
Total		\$ <u> -</u>	<u> 5,436</u>

(7) Deferred Revenue

The Foundation defers recognition of revenue received in advance from Court Square Law clients. Deferred revenue at June 30, 2020 amounted to \$10,545.

(8) Promissory Note - Paycheck Protection Program

On May 6, 2020, the Foundation received a Small Business Administration (SBA) loan under the Coronavirus Aid Relief, and Economic Security Act (CARES Act) in the amount of \$66,970 with a 1% interest rate.

The Foundation must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, unless otherwise forgiven in whole or part in accordance with the CARES Act as described below, beginning six months from the month this note is dated until May 6, 2022 (the maturity date) when the entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full. Payments of principal and interest must be made on such date as designated by the lender in the months they are due.

Pursuant to the terms of the CARES Act and any implementing rules and regulations, the Foundation may apply for the loan to be forgiven by the SBA in whole or in part. Any loan balance remaining following forgiveness by the SBA will be fully reamortized over the remaining term of the loan. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable on the maturity date. If there is a default without notice or demand and without giving up any of its rights, lender may require immediate payment of all amounts owing under this note; collect all amounts owing from any borrower; or file suit and obtain judgment.

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

Notes to Financial Statements, Continued

(9) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Time or purpose restriction:		
Fellowship/scholarships	\$ 848,114	707,280
Haywood Burns' Chair on Civil Rights	146,955	9,587
David Fields Fund	353,055	329,253
Sorensen Center Fund	718,819	574,024
Creating Law Enforcement Accountability and Responsibility	751,786	502,165
Gender Law and Policy	63,533	60,287
Annual Fund	-	46,636
Other	<u>469,802</u>	<u>354,549</u>
Total time or purpose restriction	<u>3,352,064</u>	<u>2,583,781</u>
Endowment:		
Fellowship	523,917	508,767
Haywood Burns' Chair on Civil Rights	522,921	522,921
International Women Human Rights Law Clinic	150,000	150,000
Lecture Series	81,000	75,000
Sorensen Center Fund	<u>1,684,231</u>	<u>1,684,231</u>
Total endowment	<u>2,962,069</u>	<u>2,940,919</u>
Total	<u>\$ 6,314,133</u>	<u>5,524,700</u>

There was a reclassification of net assets at June 30, 2020 for the Haywood Burns' Chair on Civil Rights in the amount of \$322,921 from time or purpose restriction to endowment.

(10) 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 CITY UNIVERSITY OF NEW YORK
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Notes to Financial Statements, Continued

(10) Endowment, Continued

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.

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 3.75% of the endowment assets.

Endowment net asset composition consists of \$2,962,069 and \$2,940,919 which is included in net assets with donor restrictions as of June 30, 2021 and 2020, respectively.

Changes in net assets with donor restrictions for the years ended June 30, 2021 and 2020 are as follows:

	<u>Time</u> <u>restrictions</u>	<u>Endowment</u> <u>restrictions</u>	<u>Total</u>
Endowment net assets at June 30, 2019	\$ 351,108	2,940,919	3,292,027
Investment gains, net	127,868	-	127,868
Amounts appropriated for expenditure	<u>(105,643)</u>	<u>-</u>	<u>(105,643)</u>
Endowment net assets at June 30, 2020	373,333	2,940,919	3,314,252
Investment gains, net	542,723	-	542,723
Contribution to endowments	-	21,150	21,150
Amounts appropriated for expenditure	<u>(99,606)</u>	<u>-</u>	<u>(99,606)</u>
Endowment net assets at June 30, 2021	\$ <u>816,450</u>	<u>2,962,069</u>	<u>3,778,519</u>

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Notes to Financial Statements, Continued

(10) Endowment, Continued

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, 2021 and 2020 there are no deficiencies of this nature.