

Report of Audit

on the

Financial Statements

of the

***Mercer County Community
College Foundation***

for the

Years Ended
June 30, 2016 and 2015

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

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SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mercer County Community
College Foundation
West Windsor, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Mercer County Community College Foundation, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activity 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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

SUPLEE, CLOONEY & COMPANY

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 Mercer County Community College Foundation as of June 30, 2016 and 2015, 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.

A handwritten signature in black ink that reads "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.

November 2, 2016

MERCER COUNTY COMMUNITY COLLEGE FOUNDATIONSTATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 576,571	\$ 686,364
Investments	8,383,482	8,254,110
Unconditional Promises to Give - Net	120,429	130,014
Interest Receivable	-	4,407
	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 9,080,482</u>	<u>\$ 9,074,895</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 64,592	\$ 63,932
Due to Mercer County Community College	15,202	56,970
	<u> </u>	<u> </u>
<u>Total Liabilities</u>	<u>79,794</u>	<u>120,902</u>
 <u>Net Assets</u>		
Unrestricted:		
Board Designated for Scholarships and Programs	74,673	116,445
Board Designated for Student Assistance	1,000,000	1,000,000
Undesignated - Major Gifts Campaign	467,967	462,679
Undesignated	964,610	1,002,336
Temporarily Restricted	5,002,656	4,941,590
Permanently Restricted	1,490,782	1,430,943
	<u> </u>	<u> </u>
<u>Total Net Assets</u>	<u>9,000,688</u>	<u>8,953,993</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 9,080,482</u>	<u>\$ 9,074,895</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITY
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016				2015			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Support and Revenues								
Pledges - Capital Campaign	\$ -		\$ -	\$ -	\$ -	\$ 48,516	\$ -	\$ 48,516
Gifts/Contributions	70,503	205,457	59,839	335,799	62,505	187,250	26,815	276,570
Gifts/Contributions - Capital Campaign	-	105,209	-	105,209	-	137,108	-	137,108
Interest and Dividend Income	91,235	91,904	-	183,139	112,852	84,164	-	197,016
Fundraising:								
Special Event - Spring Event	148,436	-	-	148,436	89,555	-	-	89,555
Special Event - Golf Outing	40,379	-	-	40,379	42,051	-	-	42,051
Special Event - Other Events	1,576	-	-	1,576	10,806	-	-	10,806
Realized Gain (Loss)	(91,903)	(63,925)	-	(155,828)	(136,915)	10,350	-	(126,565)
Unrealized Gain	75,475	77,231	-	152,706	47,079	-	-	47,079
Net Assets Released from Restrictions	354,810	(354,810)	-	-	477,543	(477,543)	-	-
Total Support and Revenues	690,511	61,066	59,839	811,416	705,476	(10,155)	26,815	722,136
Expenses								
Scholarships	382,512	-	-	382,512	366,987	-	-	366,987
Fundraising:								
Special Event - Spring Event	41,436	-	-	41,436	16,144	-	-	16,144
Special Event - Golf Outing	17,180	-	-	17,180	18,280	-	-	18,280
Special Event - Other Events	4,318	-	-	4,318	6,764	-	-	6,764
Allocations	84,150	-	-	84,150	230,424	-	-	230,424
Operating:								
Capital Campaign	135,747	-	-	135,747	-	-	-	-
Senior Giving Officer	32,360	-	-	32,360	52,875	-	-	52,875
Professional Fees	14,000	-	-	14,000	22,188	-	-	22,188
Investment Fees	42,229	-	-	42,229	42,006	-	-	42,006
Bank Fees	3,128	-	-	3,128	2,444	-	-	2,444
Other Operating Expenses	7,661	-	-	7,661	8,528	-	-	8,528
Total Expenses	764,721	-	-	764,721	766,640	-	-	766,640
Change in Net Assets	(74,210)	61,066	59,839	46,695	(61,164)	(10,155)	26,815	(44,504)
Net Assets, Beginning of Year	2,581,460	4,941,590	1,430,943	8,953,993	2,642,624	4,951,745	1,404,128	8,998,497
Net Assets, End of Year	<u>\$ 2,507,250</u>	<u>\$ 5,002,656</u>	<u>\$ 1,490,782</u>	<u>\$ 9,000,688</u>	<u>\$ 2,581,460</u>	<u>\$ 4,941,590</u>	<u>\$ 1,430,943</u>	<u>\$ 8,953,993</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATIONSTATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 46,695	\$ (44,504)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized (Gains) Losses on Investments	3,122	79,486
Contributions Restricted for Long-Term Purposes	(265,296)	(212,439)
Donated Securities	-	-
Proceeds from Sale of Donated Securities	-	-
Increase (Decrease) in Cash from:		
Interest Receivable	4,407	11,944
Unconditional Promises to Give	9,585	10,328
Accounts Payable and Accrued Expenses	660	49,413
Due to Mercer County Community College	(41,768)	(108,962)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(242,595)</u>	<u>(214,734)</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Sales of Investments	4,183,921	16,374,064
Purchases of Investments	(4,316,415)	(16,957,093)
<u>Net Cash Used by Investing Activities</u>	<u>(132,494)</u>	<u>(583,029)</u>
<u>Cash Flows from Financing Activities</u>		
Proceeds from Sale of Donated Securities	-	-
Contributions Restricted for Long-Term Purposes	265,296	212,439
<u>Net Cash Provided by Financing Activities</u>	<u>265,296</u>	<u>212,439</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(109,793)	(585,324)
Cash and Cash Equivalents, Beginning of Year	686,364	1,271,688
Cash and Cash Equivalents, End of Year	<u>\$ 576,571</u>	<u>\$ 686,364</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NATURE OF ACTIVITIES

The Mercer County Community College Foundation (the "Foundation") is a not-for-profit foundation organized under Section 501(c)(3) of the Internal Revenue Code (the "Code"). It is operated exclusively for the purpose of assisting the board of trustees of Mercer County Community College (the "College") in holding, investing and administering property and making expenditures to or for the benefit of the College, its students and its faculty.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Basis of Presentation

Financial reporting for not-for-profit organizations requires that the Foundation report information regarding its financial position and activity according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. The donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes unrestricted time deposits, certificates of deposit and highly liquid instruments with initial maturities of three months or less. In addition, the statement of cash flows excludes permanently restricted cash.

Cash balances maintained at financial institutions may exceed federally insured limits. The Foundation monitors the health of these banking institutions. Historically, the Foundation has not experienced any credit-losses.

Public Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable values. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present values of their net realizable values, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Conditional promises to give are recognized when the conditions on which they are dependent are substantially satisfied.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (which happens either when a stipulated time period ends or when a purpose restriction is accomplished) during the reporting period in which the income and gains are recognized.

Pledge receivables with expected collection terms of greater than two years are presented at their net present value. They are discounted utilizing the applicable discount rate of approximately 0.11%, which is in effect at June 30, 2016 and 2015.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Foundation carries investments at fair market value. Unrealized gains and losses occurring during the years ended June 30, 2016 and 2015 are presented in the accompanying statement of activity.

Income Taxes

The Foundation is a Not-For-Profit Organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

The most significant tax position of the Foundation is its assertion that it is exempt from income taxes. Other significant tax positions include its determination of whether any amounts are subject to unrelated business tax (UBIT). Management has determined the Foundation had no activities subject to UBIT in the years ended June 30, 2016 or 2015. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Foundation is required to file Form 990 (Return of Organization Exempt from Income Tax) which is subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of the tax return. The Forms 990 for 2013 through 2015 are open to examination by the IRS as of June 30, 2016.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(2) INVESTMENTS

Investments are stated at fair market value as of June 30, 2016 and 2015, respectively. The unrealized appreciation (depreciation) reflects differences from cost on a cumulative basis, and consists of the following:

	June 30, 2016		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Corporate fixed income	\$ 3,583,171	\$ 3,642,038	\$ 58,867
Mutual funds	4,677,646	4,741,444	63,798
	<u>\$ 8,260,817</u>	<u>\$ 8,383,482</u>	<u>\$ 122,665</u>

	June 30, 2015		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Corporate fixed income	\$ 2,998,663	\$ 2,947,656	\$ (51,007)
Mutual funds	5,285,488	5,306,454	20,966
	<u>\$ 8,284,151</u>	<u>\$ 8,254,110</u>	<u>\$ (30,041)</u>

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(2) INVESTMENTS (CONTINUED)

The following schedule summarizes the investment return and its classification in the Statement of Activity:

	Year Ended June 30, 2016			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 91,235	\$ 91,904	\$ -	\$ 183,139
Net realized and unrealized gains (losses)	(16,433)	13,311	-	(3,122)
Total investment return	<u>\$ 74,802</u>	<u>\$ 105,215</u>	<u>\$ -</u>	<u>\$ 180,017</u>

	Year Ended June 30, 2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividend income	\$ 112,852	\$ 84,164	\$ -	\$ 197,016
Net realized and unrealized gains (losses)	(89,836)	10,350	-	(79,486)
Total investment return	<u>\$ 23,016</u>	<u>\$ 94,514</u>	<u>\$ -</u>	<u>\$ 117,530</u>

(3) FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(3) FAIR VALUE MEASUREMENTS (CONTINUED)

In accordance with ASC 820, the following tables represent the Foundation's fair value hierarchy for its financial assets (cash equivalents and investments) measured at fair value on a recurring basis as of June 30, 2016 and 2015:

Fair Value Measurements as of June 30, 2016

Investments:	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 576,571	\$ 576,571	\$ -	\$ -
Corporate fixed income	3,642,027	3,642,027	-	-
Mutual funds	4,741,454	4,741,454	-	-
	<u>\$ 8,960,052</u>	<u>\$ 8,960,052</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements as of June 30, 2015

Investments:	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 686,364	\$ 686,364	\$ -	\$ -
Corporate fixed income	2,947,656	2,947,656	-	-
Mutual funds	5,306,454	5,306,454	-	-
	<u>\$ 8,940,474</u>	<u>\$ 8,940,474</u>	<u>\$ -</u>	<u>\$ -</u>

The primary objective of the Foundation's investments is capital appreciation and return without undue exposure to risk. Investment funds are selected to support long-term goals, and provide growth of Endowment assets at a rate that that will provide available funds for expenses and scholarships and growth to endowment assets.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(4) UNCONDITIONAL PROMISES TO GIVE

Unconditional Promises to Give consist of pledges due at June 30 as follows:

	<u>2016</u>	<u>2015</u>
Unconditional Promises to Give	\$120,744	\$130,414
Less: Allowance for Uncollectible Pledges	--	--
Less: Unamortized Discount	<u>(315)</u>	<u>(400)</u>
Net Unconditional Promises to Give	<u>\$120,429</u>	<u>\$130,014</u>
Amounts Due In:		
Within One Year	\$ 24,000	\$ 24,000
One to Five years	<u>96,744</u>	<u>106,414</u>
	<u>\$120,744</u>	<u>\$130,414</u>

Outstanding Unconditional Promises to Give are expected to be collected, accordingly there is no Allowance for Uncollectible reflected. Unconditional promises to give, which are due in more than one year, are discounted at a risk-free rate of return appropriate for the expected term of the promise to give.

(5) RELATED PARTY TRANSACTIONS

The books of the Foundation are maintained through accounting and administrative services provided by the College. The fair value of these services has not been determined. Therefore, no amounts for these services have been recognized in the statements of activity. "Due to and from Mercer County Community College" accounts are set up to record related party activity between the College and the Foundation. Due to Mercer County Community College was \$15,202 and \$56,970 at June 30, 2016 and 2015, respectively.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(6) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Scholarships	\$4,031,034	\$4,083,892
Programs	488,625	501,045
Capital Improvements	<u>482,997</u>	<u>356,653</u>
	<u>\$5,002,656</u>	<u>\$4,941,590</u>

(7) NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions as follows:

	<u>2016</u>	<u>2015</u>
Expenses incurred to satisfy donor requirements	<u>\$354,810</u>	<u>\$477,543</u>

(8) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are endowment funds restricted in perpetuity to continue the purpose of the Foundation. Interest and dividend income along with investment gains and losses generated by these assets are unrestricted and available for use by the Foundation.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(9) ENDOWMENT FUNDS

The Foundation's endowment funds consist of approximately four (4) individual funds established for a variety of purposes. The endowment funds include both donor-restricted endowment funds and funds designated by the Foundation's Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Foundation's Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by state law. 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 fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (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 investment policies of the Foundation

The Foundation has adopted investment and spending policies 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 the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is as follows:

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(9) ENDOWMENT FUNDS (CONTINUED)

<u>Fund Investment Objectives</u>	<u>Investment Policy</u>	<u>Target Return</u>
Foundation Board Designated Account	Moderate to High risk	8%
Foundation Student Assistance Account	Low to Moderate Risk	7% - 8%
Foundation Athletic Account	Low to Moderate Risk	7% - 8%
Foundation Capital Campaign Account	Low to Moderate Risk	7% - 8%

The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7 – 8 percent annually.

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).

Endowment net asset composition by type of fund at June 30, 2016:

Unrestricted Board Designated Net Assets	\$1,074,574
Temporarily Restricted Net Assets	149,774
Permanently Restricted Net Assets	<u>1,490,782</u>
	<u>\$2,715,130</u>

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(9) ENDOWMENT FUNDS (CONTINUED)

Changes in Endowment Funds for the years ended June 30, 2016 and 2015 are as follows:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, June 30, 2014	\$1,015,221	\$182,436	\$1,404,128	\$2,601,785
Contributions	477,543	--	26,815	504,358
Investment Return	--	45,600	--	45,600
Appropriated for expenditures	(624,240)	(59,514)	--	(683,754)
Other Changes:				
Reclassification	105,509	--	--	105,509
Board Designated Endowments	<u>142,412</u>	<u>--</u>	<u>--</u>	<u>142,412</u>
Balance, June 30, 2015	<u>\$1,116,445</u>	<u>\$168,522</u>	<u>\$1,430,943</u>	<u>\$2,715,910</u>
Contributions	334,204	--	59,839	394,043
Investment Return	--	12,678	--	12,678
Appropriated for expenditures	(665,343)	(31,425)	--	(696,768)
Other Changes:				
Reclassification	98,877	--	--	98,877
Board Designated Endowments	<u>190,391</u>	<u>--</u>	<u>--</u>	<u>190,391</u>
Balance, June 30, 2016	<u>\$1,074,574</u>	<u>\$149,774</u>	<u>\$1,490,782</u>	<u>\$2,715,130</u>

(10) SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through November 2, 2016, which is the date the financial statements were available to be issued. The Foundation has been notified of one large bequest, post June 30 that should be settling prior to December 31, 2016. The amount is in excess of \$1 million.

Based on its evaluation, the Foundation has determined that no other subsequent events have occurred which require disclosure in the financial statements.

MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(11) LITIGATION AND CONTINGENT LIABILITIES

From time to time, the Foundation may be subject to litigation, claims and contingent liabilities incidental to the ordinary course of business. In the opinion of management, claims or lawsuits incidental to the business of the Foundation have been adequately provided for in the financial statements.

