

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statement of Activities - June 30, 2015	4
Statement of Activities - June 30, 2014	5
Statement of Functional Expenses - June 30, 2015	6
Statement of Functional Expenses - June 30, 2014	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 18



# CAPALDI REYNOLDS & PELOSI

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Atlantic Cape Community College Foundation, Inc.  
Mays Landing, New Jersey

### CORPORATE OFFICERS:

Donna H. Buzby, CPA, RMA  
Therese M. Connell, CPA  
Richard A. Continisio, CPA  
Bistra Dimova, CPA, MBA  
Lois S. Fried, CPA, CFE, CVA, ABV  
Terri L. Marakos, CPA  
John J. Moller, CPA  
Frank Pelosi, CPA, CVA, MBA  
Matthew J. Reynolds, CPA, CFP  
Thomas E. Reynolds, CPA  
Robert D. Reynolds, CPA, Chairman  
Jeffrey A. Wilson, CPA

We have audited the accompanying financial statements of Atlantic Cape Community College Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### SENIOR PRINCIPALS:

Chris A. Foust, CPA  
Thomas J. Freund, CPA  
Larry Horowitz, CPA  
Judd McLaughlin, CPA  
Richard H. Pollard, CPA  
Susan Siozopoulos, CPA  
Francis C. Thomas, CPA, PFS  
David K. Wagstaff, MBA

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation on 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.

### PRINCIPALS:

Charlotte Ammerman, CPA  
Joseph Barrett, CPA  
Joann D. Gilbert, CPA  
Clayton Himstedt, CPA, MBA  
Lauren L. Mangini  
Catherine Miskiv, CPA  
Stella Papastephanou, CPA  
Michael J. Reynolds, CPA  
Tatiana A. Safrygina, CPA  
Karen S. Sharkey, CPA  
Jennifer L. Wallace, CPA

### **Auditors' Responsibility**

Our responsibility is to express an opinion of 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 of material misstatement.

### ASSOCIATES:

Jennifer M. Angel, CPA  
Ashley R. Barber, CPA  
Fred A. Crum, Jr., CPA  
Allison J. Fried  
Allen S. Hsu, CPA, MBA, MS  
Jacqueline Kirby, CPA  
Viktoryia Olunina, CPA  
Anthony C. Panetta, CPA  
Dana C. Petruzzi, MBA

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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 Atlantic Cape Community College Foundation, Inc. as of June 30, 2015 and 2014, 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.

*Capaldi Reynolds & Pelosi*  
CAPALDI REYNOLDS & PELOSI, P.A.

Northfield, New Jersey  
October 28, 2015

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 125,158	\$ 426,389
Pledges receivable	71,200	102,446
Accounts receivable	-	5,625
Prepaid expenses	-	434
Investments	<u>1,181,079</u>	<u>1,363,138</u>
Total current assets	<u>1,377,437</u>	<u>1,898,032</u>
Other Assets		
Pledges receivable, noncurrent	50,109	63,729
Investments restricted for permanent endowments	<u>2,748,119</u>	<u>2,518,329</u>
Total other assets	<u>2,798,228</u>	<u>2,582,058</u>
Total assets	<u><u>\$ 4,175,665</u></u>	<u><u>\$ 4,480,090</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 28,081	\$ -
Accrued expenses	384,887	827,979
Deferred revenue	<u>13,380</u>	<u>-</u>
Total liabilities	<u>426,348</u>	<u>827,979</u>
Net Assets		
Donor Restricted		
Temporarily	599,060	703,239
Permanently	2,837,014	2,604,105
Unrestricted	<u>313,243</u>	<u>344,767</u>
Total net assets	<u>3,749,317</u>	<u>3,652,111</u>
Total liabilities and net assets	<u><u>\$ 4,175,665</u></u>	<u><u>\$ 4,480,090</u></u>

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2015**

	<b>2015</b>			
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 483	\$ 58,219	\$ 234,036	\$ 292,738
Fundraising from benefit events	206,942	118,278		325,220
Memberships	240			240
Interest and dividends	45,096	81,384	11,054	137,534
Net (losses) on long-term investments	(57,385)	(58,254)	(12,181)	(127,820)
Satisfaction of program restrictions	303,806	(303,806)		-
	<u>499,182</u>	<u>(104,179)</u>	<u>232,909</u>	<u>627,912</u>
<b>EXPENSES AND LOSSES</b>				
Program Services				
Scholarships	303,211			303,211
Scholarship ceremony	595			595
	<u>303,806</u>	<u>-</u>	<u>-</u>	<u>303,806</u>
Supporting Services				
Management and general	19,958			19,958
Fundraising - benefit events	206,942			206,942
	<u>226,900</u>	<u>-</u>	<u>-</u>	<u>226,900</u>
Total expenses	<u>530,706</u>	<u>-</u>	<u>-</u>	<u>530,706</u>
Change in net assets	(31,524)	(104,179)	232,909	97,206
<b>NET ASSETS - beginning of year</b>	<u>344,767</u>	<u>703,239</u>	<u>2,604,105</u>	<u>3,652,111</u>
<b>NET ASSETS - end of year</b>	<u>\$ 313,243</u>	<u>\$ 599,060</u>	<u>\$ 2,837,014</u>	<u>\$ 3,749,317</u>

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 270	\$ 209,565	\$ 266,639	\$ 476,474
Fundraising from benefit events	195,069	166,371		361,440
Memberships	180			180
Interest and dividends	31,625	73,556	9,588	114,769
Net gains on long-term investments	90,302	190,123	24,775	305,200
Satisfaction of program restrictions	469,305	(469,305)		-
Total support and revenue	<u>786,751</u>	<u>170,310</u>	<u>301,002</u>	<u>1,258,063</u>
<b>EXPENSES AND LOSSES</b>				
Program Services				
Scholarships	382,388			382,388
Program gifts to students	12,654			12,654
Program gifts to college	74,263			74,263
Total program services	<u>469,305</u>	<u>-</u>	<u>-</u>	<u>469,305</u>
Supporting Services				
Management and general	21,432			21,432
Fundraising - benefit events	195,069			195,069
Total supporting services	<u>216,501</u>	<u>-</u>	<u>-</u>	<u>216,501</u>
Total expenses	<u>685,806</u>	<u>-</u>	<u>-</u>	<u>685,806</u>
Change in net assets	100,945	170,310	301,002	572,257
<b>NET ASSETS - beginning of year</b>	<u>243,822</u>	<u>532,929</u>	<u>2,303,103</u>	<u>3,079,854</u>
<b>NET ASSETS - end of year</b>	<u>\$ 344,767</u>	<u>\$ 703,239</u>	<u>\$ 2,604,105</u>	<u>\$ 3,652,111</u>

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2015**

	2015			
	Program Services	Management and General	Fundraising Costs	Total
Scholarships	\$ 303,211	\$ -	\$ -	\$ 303,211
Scholarship ceremony	595			595
Gala dinner and entertainment			132,272	132,272
Raffle prize			12,255	12,255
Golf event			12,254	12,254
Other events			15,263	15,263
Advertising			26,268	26,268
Professional and consulting fees		9,025		9,025
Printing and postage		2,639	7,696	10,335
Professional development		-		-
Travel		1,051	605	1,656
Supplies and office expense		3,070		3,070
Fees and licenses		3,724		3,724
Miscellaneous		449	329	778
Total expenses	\$ 303,806	\$ 19,958	\$ 206,942	\$ 530,706

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2014**

	2014			
	Program Services	Management and General	Fundraising Costs	Total
Scholarships	\$ 382,388	\$ -	\$ -	\$ 382,388
Program gift to students	12,654			12,654
Program gift to college	74,263			74,263
Gala dinner and entertainment			134,426	134,426
Raffle prize			10,590	10,590
Golf event			1,562	1,562
Other events			2,734	2,734
Advertising			36,125	36,125
Professional and consulting fees		8,550	-	8,550
Printing and postage		843	9,092	9,935
Professional development		1,342		1,342
Travel		1,056		1,056
Supplies and office expense		2,217		2,217
Fees and licenses		2,130		2,130
Miscellaneous		5,294	540	5,834
Total expenses	\$ 469,305	\$ 21,432	\$ 195,069	\$ 685,806

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 97,206	\$ 572,257
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities		
Interest and dividends restricted for reinvestment	(11,054)	(9,588)
(Gains)/losses on investments restricted for reinvestment	12,181	(24,775)
Net (gain)/loss on investments	115,639	(280,425)
(Increase)/decrease in:		
Pledges receivable	44,866	101,292
Accounts receivable	5,625	(5,609)
Prepaid expenses	434	424
Increase/(decrease) in:		
Accounts payable	28,081	
Accrued expenses	(443,092)	
Deferred revenue	13,380	121,622
	<u>13,380</u>	<u>121,622</u>
Net cash provided by/(used for) operating activities	<u>(136,734)</u>	<u>475,198</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,414,880	738,215
Purchase of investments	(1,578,250)	(1,057,817)
Net cash (used for) investing activities	<u>(163,370)</u>	<u>(319,602)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Other financing activities		
Interest and dividends restricted for reinvestment	11,054	9,588
Net gain/(loss) on investments restricted for reinvestment	(12,181)	24,775
	<u>(12,181)</u>	<u>24,775</u>
Net cash provided by/(used for) financing activities	<u>(1,127)</u>	<u>34,363</u>
Net increase/(decrease) in cash	(301,231)	189,959
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>426,389</u>	<u>236,430</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u>\$ 125,158</u>	<u>\$ 426,389</u>

The accompanying notes are an integral part of the financial statements.

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Atlantic Cape Community College Foundation, Inc. was formed in 1978 as an independent nonprofit organization for the purpose of promoting and furthering higher education among the citizens of Atlantic and Cape May Counties, New Jersey and to provide physical facilities and services at Atlantic Cape Community College.

The Foundation is considered a component unit of Atlantic Cape Community College for financial reporting purposes. Accordingly, the Foundation's financial statements are included in the College's basic financial statements.

Financial Statement Presentation

These financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and changes therein are classified as follows:

Unrestricted net assets- Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets- Permanently restricted net assets represent the principal amount of gifts and bequests accepted with the donor stipulation that the principal be maintained intact in perpetuity until the occurrence of a specified event, or for a specified period, with only the income to be utilized.

Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time to operating the various Foundation programs as well as to fundraising activities. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles has not been satisfied. Under this criterion, services are recognized if the services received create or enhance nonfinancial assets or they require specialized skills, they are provided by individuals possessing those skills, and they would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. Certain money market accounts intended for non-operating purposes are classified as investments.

The Foundation maintains cash balances with a local bank, which at times throughout the year may exceed the FDIC insured limit. At June 30, 2015, all balances were insured. At June 30, 2014, cash exceeded insured balances by \$214,323.

Accounts and Pledges Receivable

Accounts receivable represent amounts due for event participation fees, event sponsorships and other support that is collectible in a single installment. Pledges receivable represent contributions recognized when a donor makes an unconditional promise to give to the Foundation over multiple years. The Foundation does not accrue interest on unpaid accounts or pledges receivable. Multiple year pledges are recorded at the discounted present value of the future payments.

Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances based on experience and on any unusual circumstances that may affect collectability. Management provides for probable uncollectible amounts through a valuation allowance and a charge to bad debt expense based on its assessment of the current status of individual accounts. At June 30, 2015 and 2014, the allowance for uncollectible accounts was \$5,000 and \$28,162, respectively. Balances that are still outstanding after management has used reasonable collection efforts are written off against the valuation allowance.

Investments

Investments consist primarily of mutual funds, and are measured at fair value at the date of the financial statements. No alternative investments are included in the Foundation's portfolio. Investment income or loss (including both realized and unrealized gains and losses, interest and dividends) is included in change in net assets. Investment accounts are maintained with stock brokerage firms, all of which are members of the Securities Investor Protection Corporation.

The Foundation has adopted a total return investment policy in accordance with State law. The primary investment objective is to maximize long-term return through a combination of income and capital appreciation achieved in a prudent manner. The investment policy of the Foundation provides for certain allocation of assets between equity and fixed income instruments as well as cash and cash equivalents. The allocations are set to provide the highest probability of meeting or exceeding the return objectives at the lowest possible risk.

The Foundation's goal is to preserve the purchasing power of the endowed assets. At times, permanently restricted endowment funds of the Foundation may erode in value due to market

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

conditions and fall below the original endowed amount. The Foundation's Board's policy is to restore these funds to the original endowed amount by enduring any market losses in their operating fund thus enabling the endowment to remain whole.

The Foundation has adopted an investment spend policy. Unless otherwise directed by the donor at the time of the donation and agreed to by the Foundation, 80% of annual audited net interest (interest earned less fees paid) shall be distributed from the endowed funds as per donor designation or Foundation Board direction. The remaining 20% shall be reinvested to preserve the purchasing power of the corpus over time.

**Contributions from Trade Donations**

Caesars Entertainment donated labor, set up and decor worth \$29,500; Townsquare Media and Longport Media donated ad flight and on-air promotion worth \$10,200 and \$10,000, respectively; Fedway Associates donated ice carving show and liquor worth \$7,205; 34 local restaurants donated food worth \$17,000; various other vendors and individuals donated their services and products worth \$39,653 in exchange for advertising and/or tickets for the Restaurant Gala, Golf and Alumni events. The computation of the value of the contribution of these services and products represent the difference between market value of these services or products and the market value of the services given in exchange.

For the year ended June 30, 2015, the information is summarized as follows:

Value of services received	\$ 113,558
Value of tickets provided	<u>(15,075)</u>
Net contribution to the Foundation	<u>\$ 98,483</u>

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

Atlantic Cape Community College Foundation, Inc. has been granted exemption from income taxation by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and, therefore has made no provision for federal and state income taxes in the accompanying financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code, and qualifies for the charitable contribution deduction under section 170(b)(1)(a). There was no unrelated business income for the years ended June 30, 2015 and 2014.

Management has evaluated uncertain tax positions taken by the Foundation. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

merits, to be sustained upon examination by the Internal Revenue Service or other taxing authority. The Foundation has recognized no interest or penalties related to uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2012.

**Advertising**

The Foundation expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense for the years ended June 30, 2015 and 2014 was \$26,268 and \$36,125, respectively.

**Date of Management's Review of Subsequent Events**

Management has evaluated subsequent events through October 28, 2015, the date which the financial statements were available to be issued.

**NOTE B - PLEDGES RECEIVABLE**

Pledges receivable at June 30, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Pledges receivable, net of allowance for doubtful accounts of \$5,000 and \$28,162		
Due within one year	\$ 71,200	\$ 102,446
Due in one to five years	<u>54,507</u>	<u>73,574</u>
Total pledges receivable	125,707	176,020
Less: unamortized discount	<u>4,398</u>	<u>9,845</u>
Net pledges receivable	<u><u>\$ 121,309</u></u>	<u><u>\$ 166,175</u></u>

Capital campaign pledges have been discounted to present value utilizing a 3.25% prime interest rate for the years ended June 30, 2015 and 2014.

**NOTE C - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs are unobservable and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

most reliable evidence of fair value. Level 1 inputs at June 30, 2015 and 2014 consist of mutual funds and money funds. In the absence of Level 1 inputs, Level 2 inputs are used when available to the Plan. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The Company's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer.

**NOTE D - INVESTMENTS**

Investments at June 30, 2015 and 2014 consist of the following:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value Using Quoted Market Prices for Identical Assets (Level 1)</u>	<u>Cost</u>	<u>Fair Value Using Quoted Market Prices for Identical Assets (Level 1)</u>
Fixed Income Mutual Funds	\$1,584,162	\$1,561,190	\$1,398,214	\$1,489,291
Domestic Equities Mutual Funds	1,536,286	1,741,985	1,283,038	1,582,730
International Equities Mutual Funds	504,303	535,623	514,406	598,160
Money Funds	90,400	90,400	211,286	211,286
	<u>\$3,715,151</u>	<u>\$3,929,198</u>	<u>\$3,406,944</u>	<u>\$3,881,467</u>

Investment income/(loss) for the years ended June 30, 2015 and 2014 consists of the following:

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Interest and dividend income	\$ 54,786	\$ 104,535	\$ 14,796
Investment fees	<u>(9,690)</u>	<u>(23,151)</u>	<u>(3,742)</u>
Net interest and dividend income	<u>45,096</u>	<u>81,384</u>	<u>11,054</u>
Net realized gains on investments	10,603	111,658	12,942
Unrealized (losses) on investments	<u>(67,988)</u>	<u>(169,912)</u>	<u>(25,123)</u>
Net realized and unrealized gains/(losses)	<u>(57,385)</u>	<u>(58,254)</u>	<u>(12,181)</u>
	<u>\$ (12,289)</u>	<u>\$ 23,130</u>	<u>\$ (1,127)</u>

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

	2014		
	Unrestricted	Restricted	
		Temporarily	Permanently
Interest and dividend income	\$ 41,813	\$ 92,922	\$ 12,579
Investment fees	(10,188)	(19,366)	(2,991)
Net interest and dividend income	31,625	73,556	9,588
Net realized gains on investments		21,902	1,299
Net realized (losses) on investments	(8,429)	(155)	(39)
Unrealized gains on investments	98,731	168,376	23,515
Net realized and unrealized gains/(losses)	90,302	190,123	24,775
	\$ 121,927	\$ 263,679	\$ 34,363

**NOTE E - ENDOWMENTS**

The State of New Jersey recently adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), replacing the 1975 Uniform Management of Institutional Funds Act (UMIFA). Management has interpreted the law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations. As a result, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts made to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted 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 law.

The Foundation's endowment had the following activity for the years ended June 30, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets - June 30, 2013	\$ -	\$ 161,658	\$ 2,141,526
Contributions			342,440
Transfers		(153,697)	
Investment return:			
Interest and dividends		92,922	12,579
Investment fees		(19,366)	(2,991)
Net gains on investments		190,123	24,775
Endowment net assets - June 30, 2014	\$ -	\$ 271,640	\$ 2,518,329

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets - June 30, 2014	\$ -	\$ 271,640	\$ 2,518,329
Contributions			230,917
Transfers		(20,404)	
Investment return:			
Interest and dividends		104,535	14,796
Investment fees		(23,151)	(3,742)
Net losses on investments		(58,254)	(12,181)
Endowment net assets - June 30, 2015	\$ -	\$ 274,366	\$ 2,748,119

From time-to-time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the level that the donor or State law required the Foundation to retain as a fund of perpetual duration. The Foundation's Board's policy is to restore these funds to the original endowed amount by enduring any market losses in their unrestricted funds thus enabling the endowment to remain whole.

**NOTE F - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets include monies raised by the Restaurant Gala, golf events, other fundraisers, and amounts specifically designated by donors which generally have been restricted for distributions to Atlantic Cape Community College for scholarships. Restaurant Gala monies are awarded to Culinary School students, and Golf Classic monies are awarded on a preferential basis first to Liberal Arts students and then to other college majors. Also included in temporarily restricted net assets is 90% of the income from one endowment to be used for healthcare scholarships and 100% income from other endowments to be awarded for various scholarships.

As of June 30, 2015 and 2014, temporarily restricted net assets consisted of the following:

	<u>2015</u>	<u>2014</u>
Restaurant Gala/Raffle scholarships	\$ 109,308	\$ 64,156
Golf Event scholarships	59,587	
General scholarships	430,165	639,083
	\$ 599,060	\$ 703,239

The Foundation's net assets released from restrictions were for the following purposes:

	<u>2015</u>	<u>2014</u>
Scholarships	\$ 303,211	\$ 382,388
Scholarship ceremony	595	
Program gifts to students		12,654
Program gifts to college		74,263
	\$ 303,806	\$ 469,305

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE G - PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets consist of investments to be held in perpetuity. One endowment requires that 10% of the income be added to principal and the remainder be used to fund scholarships. According to the new investment policy, 20% of the income earned on endowment funds received after the effective date of May 1, 2010 is added to principal. All other endowments require that all income be used for scholarships.

**NOTE H - ATLANTIC CAPE COMMUNITY COLLEGE**

On October 28, 2010, the Atlantic Cape Community College Foundation pledged a minimum of \$350,000 for equipment and furnishings in the College's planned Science Technology Engineering and Math (STEM) building on the Mays Landing Campus. The proposed construction of the STEM building is one of the projects in the College's Blueprint 2020 Master Plan. This formal pledge allowed the College to seek dollar-for-dollar matching funds from the County of Atlantic government, NJ, through its Chapter 12 bonding capacity. The Foundation is actively raising funds for both endowed scholarships for the Foundation's endowment and to support this \$350,000 pledge. The resulting major gifts campaign marks a major expansion of support to Atlantic Cape Community College for the Foundation.

The Foundation received fundraising and administrative support from the College from services provided by College employees, shown below, which have not been included in the accompanying financial statements.

The following summarizes the Foundation's transactions with Atlantic Cape Community College in 2015:

	<u>Due at</u> <u>6/30/2014</u>	<u>New</u> <u>Support</u>	<u>Payments</u>	<u>Due at</u> <u>6/30/2015</u>
New Support Promised				
Scholarships	\$ 474,797	\$ 303,211	\$ (393,832)	\$ 384,176
STEM building support	350,000		(350,000)	-
Program gifts to college	3,182		(3,182)	-
In Kind Services				
Fundraising support		141,521	(141,521)	
Administrative support		83,549	(83,549)	
Reimbursements of administrative expenses	(434)	3,145	(2,000)	711
	<u>\$ 827,545</u>	<u>\$ 531,426</u>	<u>\$ (974,084)</u>	<u>\$ 384,887</u>

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

The Foundation is located on the campus of the Atlantic Cape Community College. College personnel and facilities are used at varying times during the years for which the College is nominally reimbursed. The value of these services and facilities are unable to be estimated at this time and are not included in the accompanying financial statements.

**NOTE I - FUNDRAISING**

Fundraising proceeds for the years ended June 30, 2015 and 2014 consisted of the following:

	2015				Total
	Restaurant Gala	Gala Raffle	Golf Event	Other Events	
Gross receipts	\$ 262,523	\$ 21,400	\$ 32,200	\$ 9,097	\$ 325,220
Expenses:					
Catering and meals	24,175		2,962		27,137
Wine and liquor	15,664		430		16,094
Entertainment	7,000			6,510	13,510
Room rental and setup	66,462				66,462
Décor	14,770				14,770
Donor recognition				6,734	6,734
Gifts and souvenirs	943		4,308		5,251
Plates	2,065				2,065
Raffle prizes		12,255			12,255
Scholarship				1,310	1,310
Licenses and fees	442		4,460	80	4,982
Supplies	751		94	629	1,474
Direct expenses	132,272	12,255	12,254	15,263	172,044
Advertising	22,450		318	3,500	26,268
Printing and reproduction	5,968		760	94	6,822
Postage and delivery	873				873
Miscellaneous	797		138		935
Total expenses	162,360	12,255	13,470	18,857	206,942
Net proceeds	<u>\$ 100,163</u>	<u>\$ 9,145</u>	<u>\$ 18,730</u>	<u>\$ (9,760)</u>	<u>\$ 118,278</u>

**ATLANTIC CAPE COMMUNITY COLLEGE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

	2014				Total
	Restaurant Gala	Gala Raffle	Golf Event	Other Events	
Gross receipts	\$ 319,646	\$ 20,700	\$ 17,026	\$ 4,068	361,440
Expenses:					
Catering and meals	25,250		1,059	1,260	27,569
Wine and liquor	16,724				16,724
Entertainment	7,000				7,000
Room rental and setup	58,522				58,522
Décor	22,244				22,244
Gifts and souvenirs	4,294		500	80	4,874
Raffle prizes		10,590			10,590
Licenses and fees	392				392
Supplies	-		3	1,394	1,397
Direct expenses	134,426	10,590	1,562	2,734	149,312
Advertising	35,625		500		36,125
Printing and reproduction	7,153		730		7,883
Postage and delivery	1,209				1,209
Miscellaneous	493		47		540
Total expenses	178,906	10,590	2,839	2,734	195,069
Net proceeds	\$ 140,740	\$ 10,110	\$ 14,187	\$ 1,334	\$ 166,371