WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
JUNE 30, 2017

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
TABLE OF CONTENTS
JUNE 30, 2017

	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6-12

Supplemental Schedules

Schedule of Unrestricted Management and General Expenses (Unaudited)	13
Roster of Officials	14
Consultants and Advisors	15
Management Suggestion	16

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Members of the Board of Directors of
Warren County Community College Foundation
Warren County, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Warren County Community College Foundation (the "Foundation") in the County of Warren, which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the fiscal years ended June 30, 2017 and 2016, 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.

Auditors' 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 Warren County Community College Foundation, as of June 30, 2017 and 2016, and the changes in its net position and its cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

The accompanying other information Schedule of Unrestricted Management and General Expenses has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance of it.

December 22, 2017
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION

	June 30, 2017	June 30, 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 464,371	$ 473,169
Investments	661,268	623,856
Prepayments - Management and General Expenses		1,799
Pledges Receivable	9,199	
Restricted Cash and Cash Equivalents	14,020	13,388
Total Assets	1,148,858	1,112,212
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts Payable - Vendors	8,247	7,674
Scholarships Payable	17,712	27,707
Total Liabilities	25,959	35,381
Net Position:		
Unrestricted	571,284	540,693
Temporarily Restricted:		
General Scholarship	18,649	18,649
Trustee Scholarship	30,000	30,000
Faculty and Staff Development Grant	28,865	28,865
Elite 20 Fund	10,000	10,000
Capital Campaign	100,506	100,506
Facilities Endowment	117,766	113,385
	305,786	301,405
Permanently Restricted:		
Bill Boll Scholarship	16,700	15,598
A&D Sintich Scholarship	25,904	23,982
Trustee Memorial Scholarship	12,931	11,958
Trubek Endowed Scholarship	110,801	106,673
Haytaian Endowed Scholarship	79,493	76,522
	245,829	234,733
Total Restricted Net Position	551,615	536,138
Total Net Position	$ 1,122,899	$ 1,076,831

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	Fiscal Year Ended June 30, 2017				Fiscal Year Ended June 30, 2016			
		Restricted				Restricted		
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total
Support and Revenue:								
Contributions	$ 16,443			$ 16,443	$ 20,250			$ 20,250
Fundraising	90,671			90,671	100,869			100,869
Dividend and Interest Income	4,965	$ 3,345	$ 6,697	15,007	6,731	$ 2,450	$ 5,156	14,337
Unrealized Gain/(Loss) on Investments	219	1,036	4,399	5,654	(3,769)	(1,865)	(4,072)	(9,706)
Other Income							1,000	1,000
Total Support and Revenue	112,298	4,381	11,096	127,775	124,081	585	2,084	126,750
Expenses:								
General Scholarship Payments	20,063			20,063	31,002			31,002
Management and General Expenses	23,054			23,054	29,548			29,548
Direct Fundraising	38,590			38,590	36,860			36,860
Total Expenses	81,707			81,707	97,410			97,410
Change in Net Position	30,591	4,381	11,096	46,068	26,671	585	2,084	29,340
Net Position Beginning of Year	540,693	301,405	234,733	1,076,831	514,022	300,820	232,649	1,047,491
Net Position End of Year	$ 571,284	$ 305,786	$ 245,829	$ 1,122,899	$ 540,693	$ 301,405	$ 234,733	$ 1,076,831

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL
PART OF THIS STATEMENT

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Cash Flow from Operating Activities:		
Change in Net Position	$ 46,068	$ 29,340
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
(Increase)/Decrease in Prepayments - Management and General Expenses	1,799	1,799
(Increase)/Decrease in Pledges Receivable	(9,199)	4,500
Increase/(Decrease) in Accounts Payable	573	(1,893)
Increase/(Decrease) in Scholarships Payable	(9,995)	(7,846)
Net Cash Provided by Operating Activities	29,246	25,900
Cash Flows Used for Investing Activities:		
(Increase)/Decrease in Investments	(37,412)	(3,386)
Net Increase in Cash and Cash Equivalents	(8,166)	22,514
Cash and Cash Equivalents Beginning of Year	486,557	464,043
Cash and Cash Equivalents End of Year	$ 478,391	$ 486,557

THE NOTES OT THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1: Nature of Activities and Significant Accounting Polices

Nature of Activities

The Warren County Community College Foundation's (The "Foundation") purpose is to assist the Trustees of the Warren County Community College in the development and growth of college scholarships, programs and facilities that broaden and enhance educational opportunities and services provided for those seeking postsecondary education in Warren County, New Jersey.

The Foundation's mission is to aid the Warren County Community College Trustee Board in carrying out the mission and the educational goals of the institution.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

GAAP establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net position categories according to the externally (donor) imposed restrictions: unrestricted net position, temporarily restricted net position, and permanently restricted net position. GAAP also requires that unconditional promises to give be recorded as receivables and revenue and requires the organization to distinguish between contributions received for each net position category in accordance with donor imposed restrictions. Accordingly, net position of the Foundation and changes therein are classified and reported as follows:

Unrestricted net position are resources representing the portion of expendable Funds available for support of the Foundation's activities. These resources are not subject to donor-imposed stipulations.

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

Permanently restricted net position is comprised of assets subject to donor-imposed stipulations to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Revenue and Support Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 1: Nature of Activities and Significant Accounting Polices (Cont'd)

The Foundation reports gifts and cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. However, if the donor restriction is satisfied during the accounting period in which the gift was received, the gifts are reported as unrestricted contributions in the statement of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Investments

The Foundation accounts for its long-term investments in accordance with GAAP, SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under GAAP, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains or losses are included in the change in net position. Investment income and gains restricted by a donor are reported as increases in unrestricted net position if the restrictions are met (either by passage of time or by event occurrence) in the reporting period in which the income and gains are recognized. Fair market value, at acquisition or contribution as well as at subsequent dates is determined based on quoted market prices as provided by the investment advisors.

Fair Value of Financial Instruments

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 1: Nature of Activities and Significant Accounting Polices (Cont'd)

Fair Value of Financial Instruments (Cont'd)

observable market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Foundation is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Museum has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business);
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

The carrying amounts of cash and cash equivalents and deposits approximate fair value because of the short maturity of these instruments.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 1: Nature of Activities and Significant Accounting Polices (Cont'd)

Fair Value of Financial Instruments (Cont'd)

Mutual funds: Valued at the net asset value (NAV) of shares held by the Foundation at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Foundation's investments and the amounts reported in the statement of financial position and the statement of activities.

Tax-exempt Status

The Foundation is an approved charitable, nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Foundation is exempt from federal income taxation on related income pursuant to section 501(a) of the code. The Foundation is also exempt under Title 15 of the State of New Jersey, *Corporations and Associations Not-for-Profit Act.* Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

Effective December 22, 2009, the Foundation adopted FASB Accounting Standards Codification, *Accounting for Uncertainty in Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition as they relate to those tax positions. The adoption of this change in accounting principle had no cumulative effect on amounts recorded in the financial statements for the fiscal years ended June 30, 2017 and 2016.

The Foundation does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the fiscal year ended June 30, 2017. However, the Foundation is subject to regular audit by tax authorities, including a review of its nonprofit status, which the Foundation believes would be upheld upon examination. The Foundation believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

As required by law, the Foundation files an informational return with the United States federal government on an annual basis - Form 990 with the Internal Revenue Service. This return is subject to examination by this authority within three years from the latest filing date for the Federal return.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 1: Nature of Activities and Significant Accounting Polices (Cont'd)

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after June 30, 2017 through the date of the auditors' report and the date the financial statements were available to be issued, December 22, 2017. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no additional nonrecognized subsequent events that require disclosure.

Note 2: Accounts Receivable and Pledges Receivable and Allowances for Uncollectible Accounts

Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Note 3: Contributed Services

The professional services of the Foundation are subsumed within the Office of Foundation and Advancement. The College provides these services to the Foundation at no cost.

Note 4: Temporarily Restricted Net Position

Scholarship Funds are established specifically for assisting students in payment of tuition. These Funds are established by individuals and businesses making donations to the Foundation. The scholarships are then awarded to students who meet the requirements for each individual scholarship and the Funds are then released. The Foundation has a Capital Campaign to help the College fund future projects. The Facilities Endowment was established to aid the new location in Phillipsburg. The Foundation has $305,786 and $301,405 of temporary restricted net position as of June 30, 2017 and 2016, respectively.

Note 5: Permanently Restricted Net Position

Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. They consist of assets that are subject to donor-imposed stipulations to be maintained permanently by the Foundation.

Note 6: Donated Services

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in various functions. No amounts have been recognized in the statement of activities, because it does not meet the criteria of recognition under U.S. Generally Accepted Accounting Principles.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 7: Risk and Uncertainties

At times, the organization has amounts on deposit with various financial institutions that is greater than the federally insured limit. Management believes that the Foundation has no significant risk of loss on these accounts due to the failure of the institution.

Concentration of credit risk associated with investments is considered low due to the credit quality of the financial institutions holding these investments.

Note 8: Investments

The Foundation may invest in commercial paper, repurchase agreements, treasury bills, certificates of deposit, money market Funds, component debt securities, common stocks, preferred stocks, convertible securities and obligations of the United States Government.

As of June 30, the actual changes in the fair market value of the Foundation's investments consisted of the following:

	June 30, 2017		June 30, 2016	
	Cost Value	Fair Value	Cost Value	Fair Value
Mutual Funds	$ 604,887	$ 661,268	$ 604,887	$ 623,856
	$ 604,887	$ 661,268	$ 604,887	$ 623,856

Investment activity in 2017 and 2016 is as follows:

	2017	2016
Beginning Balance	$ 623,856	$624,068
Purchases	145,482	103,771
Sales	(128,289)	(109,614)
Assets Converted to Cash		1,000
Interest and Dividends	15,007	14,337
Unrealized Gains/(Losses)	5,212	(9,706)
Ending Balance	$ 661,268	$623,856

Note 9. Cash and Cash Equivalents

Cash and cash equivalents include amounts in deposits, money market accounts, short-term investments with original maturities of three months or less.

GASB Statement No. 40, *Governmental Accounting Standards Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Foundation in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
(Continued)

Note 9. Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Foundation ensures that any deposit or investments matures within the time period that approximates the prospective need for the Funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

As of June 30, 2017 and 2016, cash and cash equivalents of the Foundation consisted of the following:

	2017	2016
Checking Account	$ 464,371	$ 473,169
Money Market Accounts	14,020	13,388
	$ 478,391	$ 486,557

The carrying amount of the Foundation's cash and cash equivalents at June 30, 2017 was $478,391 and the bank balance was $478,218.

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION

SUPPLEMENTAL SCHEDULES

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF UNRESTRICTED MANAGEMENT AND GENERAL EXPENSES
(UNAUDITED)

	Fiscal Year Ended June 30,	
	2017	2016
Management and General Expenses:		
Community Support	$ 8,027	$ 11,193
Postage	239	1,095
Travel/ Meetings/Advertising	2,162	861
Supplies		847
Director and Staff Development	2,752	8,242
Other Miscellaneous	9,874	7,310
Total Expenditures	$ 23,054	$ 29,548

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
ROSTER OF OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Name	Title	Expiration of Term
Foundation Officials:		
Mrs. Lori Page	Chairperson	June 30, 2019
Mrs. Jennifer Harrison	Vice Chairperson	June 30, 2018
Mrs. Alyson Zaycer	Treasurer	June 20, 2019
Mrs. Selly Jaronsky	Secretary	November 16, 2019
Directors:		
Mr. Harry Browne		June 30, 2018
Mr. Dennis Florentine		June 30, 2018
Mr. Dan Inscho		June 30, 2018
Mrs. Sheryl Koch		June 30, 2018
Mrs. Holly Mackey		June 30, 2019
Mr. Craig Neier		June 30, 2019
Mrs. Crystal Piela		June 20, 2019
Mr. Steven Pomerantz		May 20, 2019
Mr. Tyler Smith		November 16,2019
Mrs. Jennifer Vorhies		June 30, 2019
Mrs. Tiffany Warren		February 8, 2020
College Board of Trustees:		
Mrs. Maria Maier		
Mrs. Betti Singh		
Staff to the Foundation:		
Mr. Samir Elbassiouny	Executive Director	
Mr. Dan Hirshberg	Public Relations	
Mrs. Genevieve Vasko	Administrative Assistant	
Mrs. Barbara McFarlane	Support	

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
CONSULTANTS AND ADVISORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Audit Firm

Nisivoccia LLP
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Official Depository

Ameriprise Financial
1420 US Highway 206, Suite 130
Bedminster, New Jersey 07921

WARREN COUNTY COMMUNITY COLLEGE FOUNDATION
COMMENTS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

Management Suggestion:

None