

**COCONINO COMMUNITY COLLEGE
FOUNDATION**

FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	
STATEMENTS OF FINANCIAL POSITION	Exhibit A
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - 2016	Exhibit B
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - 2015	Exhibit C
STATEMENTS OF CASH FLOWS	Exhibit D
NOTES TO FINANCIAL STATEMENTS	

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Coconino Community College Foundation
Flagstaff, Arizona

We have audited the accompanying financial statements of Coconino Community College Foundation (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of activities and changes in net assets and cash flows for the years then ended, and 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 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 audits 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.

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 Coconino 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.



Guest, Schutte & Cospers
Flagstaff, Arizona

October 18, 2016

**COCONINO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

EXHIBIT A

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 206,517	\$ 166,987
Accounts receivable	1,500	7,500
Prepaid expenses	3,886	6,218
Investments, at market	940,606	925,085
Total Current Assets	1,152,509	1,105,790
Total Assets	\$ 1,152,509	\$ 1,105,790

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued expenses	\$ 448	\$ 700
Deferred revenue	6,500	7,500
CC College payable	35,618	36,312
Total Current Liabilities	42,566	44,512
NET ASSETS		
Unrestricted	267,273	241,052
Temporarily restricted	413,144	417,838
Permanently restricted	429,526	402,388
Total Net Assets	1,109,943	1,061,278
Total Liabilities and Net Assets	\$ 1,152,509	\$ 1,105,790

**COCONINO COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016**

EXHIBIT B

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL</u>
Revenue, Gains and Other Support				
Public contributions	\$ 220,002	\$ 223,434	\$ 21,549	\$ 464,985
Revenues	19,076	22,649	-	41,725
Investment earnings	8,983	14,892	-	23,875
Realized gain on investments	34	57	-	91
Unrealized gain on investments	8,878	14,820	-	23,698
Transfer of assets to endowment	-	(5,589)	5,589	-
Net assets released from restrictions	<u>274,957</u>	<u>(274,957)</u>	<u>-</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 531,930	 (4,694)	 27,138	 554,374
Expenses and Losses				
Program services	441,188	-	-	441,188
Supporting services	<u>64,521</u>	<u>-</u>	<u>-</u>	<u>64,521</u>
 Total Expenses and Losses	 <u>505,709</u>	 <u>-</u>	 <u>-</u>	 <u>505,709</u>
 Increase (Decrease) in Net Assets	 26,221	 (4,694)	 27,138	 48,665
 Net Assets, beginning of year	 <u>241,052</u>	 <u>417,838</u>	 <u>402,388</u>	 <u>1,061,278</u>
 Net Assets, end of year	 <u><u>\$ 267,273</u></u>	 <u><u>\$ 413,144</u></u>	 <u><u>\$ 429,526</u></u>	 <u><u>\$ 1,109,943</u></u>

**COCONINO COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015**

EXHIBIT C

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL</u>
Revenue, Gains and Other Support				
Public contributions	\$ 202,024	\$ 235,658	\$ 22,497	\$ 460,179
Revenues	32,148	32,730	-	64,878
Investment earnings	7,956	14,121	-	22,077
Realized gain on investments	534	948	-	1,482
Unrealized gain on investments	11,230	20,041	-	31,271
Net assets released from restrictions	<u>253,489</u>	<u>(253,489)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Other Support	507,381	50,009	22,497	579,887
Expenses and Losses				
Program services	418,049	-	-	418,049
Supporting services	<u>62,318</u>	<u>-</u>	<u>-</u>	<u>62,318</u>
Total Expenses and Losses	<u>480,367</u>	<u>-</u>	<u>-</u>	<u>480,367</u>
Increase in Net Assets	27,014	50,009	22,497	99,520
Net Assets, beginning of year	<u>214,038</u>	<u>367,829</u>	<u>379,891</u>	<u>961,758</u>
Net Assets, end of year	<u><u>\$ 241,052</u></u>	<u><u>\$ 417,838</u></u>	<u><u>\$ 402,388</u></u>	<u><u>\$ 1,061,278</u></u>

**COCONINO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

EXHIBIT D

	2016	2015
Cash flows from operating activities:		
Increase in net assets	\$ 48,665	\$ 99,520
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Investment earnings	(23,875)	(22,077)
Realized gain on investments	(91)	(1,482)
Unrealized gain on investments	23,698	31,271
(Increase) Decrease:		
Accounts receivable	6,000	(7,500)
Prepaid expenses	2,332	(6,218)
Increase (Decrease):		
Accrued expenses	(252)	700
Deferred revenue	(1,000)	(2,750)
CC College payable	(694)	15,833
Net cash provided by operating activities	54,783	107,297
Cash flows from investing activities:		
Investment purchases	(29,610)	(161,310)
Investment proceeds, net	14,357	37,171
Net cash used in investing activities	(15,253)	(124,139)
Net increase (decrease) in cash and cash equivalents	39,530	(16,842)
Cash and cash equivalents, beginning of year	166,987	183,829
Cash and cash equivalents, end of year	\$ 206,517	\$ 166,987

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Coconino Community College Foundation was founded in 1993 under Arizona law as a non-profit corporation. The mission of the Foundation is to promote the purposes and goals of Coconino Community College (CC College), thereby enhancing the opportunities of Coconino residents. It is the fundraising organization for the solicitation, receipt and management of all private gifts, donations, and contributions, including gifts-in-kind. Funds are disbursed exclusively for charitable and educational purposes within the meaning of the Internal Revenue Code Section 501(c)(3), including providing scholarships and financial aid, to fulfill the research, teaching and service functions of the College, and to make or receive grants and loans of corporate property for the purposes of the College.

Basis of Accounting

The Foundation records financial transactions using the accrual method in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Functional Expense Reporting

The costs of providing program and supporting services have been summarized by function, based upon estimates developed by management.

Income Taxes

The Foundation is a public foundation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 43-1201 of the Arizona Revised Statutes. Therefore, the accompanying financial statements contain no provision or liability for income taxes. Donations to the Foundation qualify for the charitable deduction under Internal Revenue Section 170(b)(1)(A).

The Foundation files information tax returns with the US federal and Arizona state governments. With few exceptions, the Foundation is no longer subject to US federal and state income tax examinations by tax authorities for years before 2012 (federal) and 2011 (Arizona) as of the year ended June 30, 2016. Federal tax year 2011 and Arizona tax year 2010 were open as of June 30, 2015.

Contributions and Life Annuity Gifts

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, the Foundation records life annuity contracts as gifts. All contributions, support and revenue are considered to be unrestricted unless specifically restricted by the donor. As restrictions are met, these revenues become unrestricted and are then allowed to be expended.

Promises to Give

Contributions are recognized at their fair values when the donor makes a promise in writing to give to the Foundation that is, in substance, unconditional. Restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. 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 present value of their estimated future cash flows.

The Foundation had no unconditional promises to give as of June 30, 2016 and 2015.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

The Foundation values donated goods and services at their fair market value as of the date of the donation if the services create or enhance a non-financial asset or require specialized skills, are provided by individuals possessing those skills, and would be purchased if not provided by donation.

Cash and Cash Equivalents

The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Realized and unrealized gains and losses are included in the Statements of Activities and Changes in Net Assets. Donated securities are received directly into the Fidelity Investments account at market value as of the date executed. On an annual basis, all investment income shall be calculated and then allocated between unrestricted, temporarily restricted, and permanently restricted net assets in accordance with the Foundation's policy.

Date of Management's Review

Management has reviewed events subsequent to June 30, 2016 up through the date the financial statements were available to be issued, October 18, 2016, to evaluate their effect on the fair presentation of the financial statements. As of the date the financial statements were available to be issued, there have been no events subsequent to June 30, 2016 that are required to be disclosed in order to present fairly the financial position and changes in net assets of the Foundation.

NOTE 2 - 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - CASH AND CASH EQUIVALENTS

The following were included in cash and cash equivalents as of June 30:

	<u>2016</u>	<u>2015</u>
Checking	\$ 137,040	\$ 120,821
Petty cash	214	214
Fidelity cash account	<u>69,263</u>	<u>45,952</u>
	<u>\$ 206,517</u>	<u>\$ 166,987</u>

The Federal Deposit Insurance Corporation insures accounts up to \$250,000 per institution. As of June 30, 2016 and 2015, the Foundation did not maintain cash balances in excess of this amount in their accounts. Funds deposited with Fidelity Investments are protected by the SIPC up to a ceiling of \$500,000 including a maximum of \$250,000 for cash claims. Management is aware of the risks involved and monitors these accounts regularly to keep potential risk of loss to a minimum.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 4 - FAIR VALUE MEASUREMENTS

The fair value of the investments is measured on a recurring basis at June 30, 2016 and 2015 and is determined by reference to Level 1 inputs, which include quoted prices obtained from the active principal market for the individual securities.

NOTE 5 - INVESTMENTS

Investments are stated at fair market value as of June 30, 2016 and 2015. Unless specific prohibitive clauses are contained in the gift instruments, funds are pooled for investment purposes.

The market value and cost of the Foundation's investments at June 30 are as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Level 1 MARKET VALUE</u>	<u>COST</u>	<u>Level 1 MARKET VALUE</u>	<u>COST</u>
Common stock	\$ 422,517	\$ 219,710	\$ 585,697	\$ 344,317
Corporate bonds	320,876	309,799	319,286	318,355
Mutual funds	<u>197,213</u>	<u>152,144</u>	<u>20,102</u>	<u>20,035</u>
	<u>\$ 940,606</u>	<u>\$ 681,653</u>	<u>\$ 925,085</u>	<u>\$ 682,707</u>

The following schedule summarizes investment returns and their classification in the statement of activities for the years ended June 30:

	<u>2016</u>		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Investment earnings	\$ 8,983	\$ 14,892	\$ 23,875
Net realized and Unrealized gains (losses)	<u>8,912</u>	<u>14,877</u>	<u>23,789</u>
	<u>\$ 17,895</u>	<u>\$ 29,769</u>	<u>\$ 47,664</u>
	<u>2015</u>		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Investment earnings	\$ 7,956	\$ 14,121	\$ 22,077
Net realized and Unrealized gains (losses)	<u>11,764</u>	<u>20,989</u>	<u>32,753</u>
	<u>\$ 19,720</u>	<u>\$ 35,110</u>	<u>\$ 54,830</u>

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6 - DONATED MATERIALS AND SERVICES

During the years ended June 30, 2016 and 2015, the Foundation received the following materials and services that were donated to assist the Foundation. The value of donated materials and services is readily quantifiable, and accordingly, these amounts have been recorded as revenues and expenses in the accompanying financial statements.

	2016	2015
Audit & accounting fees	\$ 6,200	\$ 4,650
Payroll in kind	177,222	168,192
Operating costs	2,489	1,844
Facilities in kind	10,546	11,785
Palate 2 Pallete	2,716	2,160
	\$ 199,173	\$ 188,631

For the years ended June 30, 2016 and 2015, the Foundation received a few hundred hours of volunteer time to assist with its programs. These hours are not recorded in the financial statements because they are not for specific professional services and are not readily quantifiable.

NOTE 7 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for scholarships and discretionary spending. Discretionary spending net assets are gifts that were designated by the donors to be spent by a specific campus, area or department for general needs.

Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards.

NOTE 8 - RELATED PARTY TRANSACTIONS

Coconino Community College contributes to the Foundation certain supporting services per a written contract. Employees of the college perform the Foundation accounting and administrative duties. The amounts included in unrestricted public contributions for these services were \$177,222 and \$168,192 for the years ended June 30, 2016 and 2015, respectively. In the opinion of management, such transactions were on substantially the same terms as those that would prevail with other unrelated persons and entities.

NOTE 9 - CASH FLOW INFORMATION

There were no non-cash investing transactions during the years ended June 30, 2016 and 2015.

There were no income taxes paid during the years ended June 30, 2016 and 2015, and no interest expense was incurred for the years ended June 30, 2016 and 2015.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 10 - CONCENTRATION RISK

During the year ending June 30, 2016, three donors' gifts comprised 38% of total support and revenue. During the year ended June 30, 2015, five donor's gifts comprised 45% of total support and revenue.

NOTE 11 - SCHEDULE OF FUNCTIONAL EXPENSES

The Foundation's functional expenses as of June 30, 2016 and 2015 are as follows:

	2016		TOTAL
	PROGRAM EXPENSES	SUPPORT EXPENSES	
Development staff expense	\$ 186,046	\$ -	\$ 186,046
Facilities expense	-	10,546	10,546
Grants, scholarships and awards	253,432	-	253,432
Investment fees	-	8,770	8,770
Marketing	1,710	-	1,710
Meeting expenses	-	5,596	5,596
Miscellaneous expenses	-	12,746	12,746
Postage	-	1,534	1,534
Printing and copying	-	3,857	3,857
Professional fees	-	20,752	20,752
Supplies	-	720	720
	<u>\$ 441,188</u>	<u>\$ 64,521</u>	<u>\$ 505,709</u>

	2015		TOTAL
	PROGRAM EXPENSES	SUPPORT EXPENSES	
Development staff expense	\$ 182,828	\$ -	\$ 182,828
Facilities expense	-	11,785	11,785
Grants, scholarships and awards	231,909	-	231,909
Investment fees	-	8,239	8,239
Marketing	3,312	-	3,312
Meeting expenses	-	5,188	5,188
Miscellaneous expenses	-	10,038	10,038
Postage	-	2,184	2,184
Printing and copying	-	4,875	4,875
Professional fees	-	19,538	19,538
Supplies	-	471	471
	<u>\$ 418,049</u>	<u>\$ 62,318</u>	<u>\$ 480,367</u>

NOTE 12 - CONTINGENT LIABILITY

For the years ended June 30, 2016 and 2015, the Foundation had scholarships that have been awarded but not paid in the amount of \$76,199 and \$74,376, respectively. These scholarships are awarded in two payments, with the first payment given upon enrollment for the fall semester; the second payment is made conditionally upon enrollment for the spring semester. As the scholarships are contingent upon enrollment and paid out over the following fiscal year, they are not recorded as a liability as of June 30, 2016 and 2015.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 13 - ENDOWMENT FUNDS

The Foundation's endowment consists of approximately 15 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted UPMIFA 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 to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and 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 UPMIFA. In accordance with UPMIFA, 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 purposes of the 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, and (7) the Foundation's investment policies.

The Foundation has engaged Autus Asset Management to manage the Foundation's financial resources, including the Endowment Funds. Autus has been directed by the Board of Directors of Coconino Community College Foundation to maintain a broadly diversified sector allocation within the portfolio in order to reduce exposure to concentrated industry-specific risks, select individual securities that are well diversified and biased toward high-quality, liquid securities with attractive intrinsic and relative valuations and to follow the Board of Director's Strategic Asset Allocation of:

Cash & Equivalents	5%
Investment Grade Fixed Income	40%
High-Yield Fixed Income	5%
Large & Mid-Cap Equity	32%
Small-Cap Equity	5%
Developed International Equity	6%
Emerging International Equity	2%
Real Estate Equity	<u>5%</u>
Total	<u><u>100%</u></u>

The Board of Directors, at all times, maintains separate accounting records for each Endowment Fund but the scholarship investments may be commingled and invested with other scholarship funds maintained by the Foundation.

Coconino Community College Foundation has a scholarship committee made up of Foundation Board, community and Coconino Community College faculty and staff members which meets approximately six times per year to advise the Board of Directors as to how much money to allocate per scholarship.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 13 - ENDOWMENT FUNDS (Continued)

Scholarship values vary based on the annual interest earned on the Endowment Fund. At the Foundation's discretion, an award or awards may be granted for an entire academic year or for a period of less than one full academic year. If the earnings and income of a scholarship are not sufficient to fund one full award, then the Foundation may, in its discretion, grant an award equal to the amount of such earnings and income or determine not to make any award for the year, in which case the amount of such earnings and income shall be carried forward to the next academic year.

To ensure observance of limitations and restrictions placed on the use of resources available to the Coconino Community College Foundation, net assets, revenues and expenditures are classified and reported as follows, based on the existence or absence of donor-imposed restrictions.

Permanently restricted net assets include permanent endowments. Such funds are generally subject to donor restrictions requiring the principal be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes.

Temporarily restricted net assets relate to contributions designated by donors for use by particular entities or programs or for specific purposes.

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

Coconino Community College Foundation's Endowment Funds consisted of the following at June 30, 2016 and 2015:

	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Balance, June 30, 2014	\$ 18,104	\$ 379,891	\$ 397,995
Contributions received	1,794	22,497	24,291
Investment income earned	15,069	-	15,069
Unrealized gains allocated	12,995	-	12,995
Scholarships awarded	(11,419)	-	(11,419)
Investment fees	(5,270)	-	(5,270)
Administrative fees	<u>(7,688)</u>	<u>-</u>	<u>(7,688)</u>
Balance, June 30, 2015	23,585	402,388	425,973
Contributions received	590	21,549	22,139
Transfers from pass-through	-	5,589	5,589
Investment income earned	14,949	-	14,949
Unrealized gains allocated	14,678	-	14,678
Scholarships awarded	(14,400)	-	(14,400)
Investment fees	(5,485)	-	(5,485)
Administrative fees	<u>(8,048)</u>	<u>-</u>	<u>(8,048)</u>
Balance, June 30, 2016	<u>\$ 25,869</u>	<u>\$ 429,526</u>	<u>\$ 455,395</u>

As noted above, it is not the policy of the Coconino Community College Foundation Board of Directors to adjust the principal balance of its Endowment Funds for the full amount of investment account market fluctuations. Therefore, the balances stated above have had investment earnings added to them, but only partial adjustments have been made for unrealized market gains.

COCONINO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 13 - ENDOWMENT FUNDS (Continued)

The Board of Directors of the Coconino Community College Foundation, or its designee, has and shall have full and plenary power and authority to take, hold, manage, invest and reinvest any principal amount donated as an Endowment Fund, and any increase or accumulation to it, and any income from it, consistent with management policies of the Board, or its designee. An Endowment Fund will earn income according to Board policy if it maintains the minimum balance required for earning income.

NOTE 14 - RECLASSIFICATIONS

Certain prior year amounts were reclassified to conform to the current year presentation. There was no impact on total net assets or changes in net assets reported.