

**Kalamazoo Valley Community College Foundation**

**Financial Statements and  
Other Financial Information**

*Year Ended June 30, 2013*

Kalamazoo Valley Community College Foundation

Audited Financial Statements  
and Other Financial Information

Year Ended June 30, 2013

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## Independent Auditor's Report

To the Board of Trustees  
Kalamazoo Valley Community  
College Foundation

We have audited the accompanying financial statements of Kalamazoo Valley Community College Foundation (the "Foundation"), which comprise the balance sheet as of June 30, 2013 and 2012 and the related statement of activities 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 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 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.

To the Board of Trustees  
Kalamazoo Valley Community  
College Foundation

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kalamazoo Valley Community College Foundation as of June 30, 2013 and 2012 and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Plante & Morse, PLLC*

October 24, 2013

Kalamazoo Valley Community College Foundation

Balance Sheet

	<b>June 30</b>	
	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash	\$ 538,857	\$ 662,595
Marketable securities (Note B)	12,204,369	10,588,213
Contributions receivable (Note C)	<u>43,623</u>	<u>42,793</u>
Total assets	<u><b>\$ 12,786,849</b></u>	<u><b>\$ 11,293,601</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Payable to Kalamazoo Valley Community College	\$ 40,499	\$ 55,577
Other payables	<u>-</u>	<u>1,061</u>
	40,499	56,638
<b>Net Assets</b>		
Unrestricted	4,711,627	4,618,129
Temporarily restricted (Note A)	6,895,549	5,495,460
Permanently restricted (Note A)	<u>1,139,174</u>	<u>1,123,374</u>
Total net assets	<u>12,746,350</u>	<u>11,236,963</u>
Total liabilities and net assets	<u><b>\$ 12,786,849</b></u>	<u><b>\$ 11,293,601</b></u>

*See accompanying notes to financial statements.*

Kalamazoo Valley Community College Foundation

Statement of Activities

	Year Ended June 30, 2013				Year Ended June 30, 2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>								
Contributions	\$ 161,636	\$ 56,941	\$ 37,300	\$ 255,877	\$ 179,254	\$ 121,131	\$ 67,170	\$ 367,555
Income from investments	88,571	138,035	-	226,606	121,004	185,141	-	306,145
Net gain/(loss) from investments (Note B)	230,283	1,360,947	-	1,591,230	(95,470)	(140,722)	-	(236,192)
Net assets released from restrictions:								
College scholarships and grants	67,389	(67,389)	-	-	72,780	(72,780)	-	-
Museum grants	109,945	(109,945)	-	-	116,108	(116,108)	-	-
Total revenues	657,824	1,378,589	37,300	2,073,713	393,676	(23,338)	67,170	437,508
<b>Expenditures</b>								
Program expenditures:								
Grants to Kalamazoo Valley Community College (Note D)	412,652	-	-	412,652	422,541	-	-	422,541
Grants to Kalamazoo Valley Museum (Note D)	109,945	-	-	109,945	116,109	-	-	116,109
Fundraising and other	41,729	-	-	41,729	34,406	-	-	34,406
Total expenditures	564,326	-	-	564,326	573,056	-	-	573,056
<b>Change in Net Assets</b>	93,498	1,378,589	37,300	1,509,387	(179,380)	(23,338)	67,170	(135,548)
<b>Transfers (Note E)</b>	-	21,500	(21,500)	-	-	-	-	-
<b>Net Assets at Beginning of Year</b>	4,618,129	5,495,460	1,123,374	11,236,963	4,797,509	5,518,798	1,056,204	11,372,511
<b>Net Assets at End of Year</b>	<b>\$4,711,627</b>	<b>\$6,895,549</b>	<b>\$1,139,174</b>	<b>\$12,746,350</b>	<b>\$4,618,129</b>	<b>\$5,495,460</b>	<b>\$1,123,374</b>	<b>\$11,236,963</b>

See accompanying notes to financial statements.

Kalamazoo Valley Community College Foundation

Statement of Cash Flows

	<b>Year Ended June 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,509,387	\$ (135,548)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net (gain)/loss from security transactions	(1,591,230)	236,192
Noncash gift of stock	(9,123)	(7,995)
Contributions restricted for long-term investment	(37,300)	(67,170)
Changes in assets and liabilities:		
Contributions receivable	(830)	(21,231)
Accounts payable to Kalamazoo Valley Community College	(15,078)	(47,010)
Other payables	(1,061)	1,061
Net cash used in operating activities	(145,235)	(41,701)
<b>Cash flows from investing activities</b>		
Purchases of investments	(569,857)	(108,598)
Proceeds from sale of investments	554,054	13,187
Net cash used in investing activities	(15,803)	(95,411)
<b>Cash flows from financing activities</b>		
Contributions restricted for long-term investment	37,300	67,170
<b>Net Decrease in Cash</b>	(123,738)	(69,942)
<b>Cash at Beginning of Year</b>	662,595	732,537
<b>Cash at End of Year</b>	<b>\$ 538,857</b>	<b>\$ 662,595</b>

*See accompanying notes to financial statements.*

## Note A - Summary of Significant Accounting Policies

### Nature of Operations

The Foundation was formed in 1980 to solicit, collect, and invest donations made for the promotion of educational activities at and on behalf of Kalamazoo Valley Community College.

### Contributions Received Presentation

The Foundation reports gifts of 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, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long the long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### Type of Restrictions

For financial statement purposes, the Foundation distinguishes between contributions of unrestricted assets, temporarily restricted assets, and permanently restricted assets.

Unrestricted net assets are those net assets of the Foundation that are not restricted by donor-imposed stipulations.

Temporarily restricted net assets are held for a specific purpose designated by donors. At June 30, temporarily restricted net assets were available for the following purposes:

	<u>2013</u>	<u>2012</u>
Scholarships and grants	\$ 1,023,467	\$ 562,735
Museum support	5,860,049	4,922,832
Arcadia Commons Campus/Technology Applications Center support	<u>12,033</u>	<u>9,893</u>
	<u>\$ 6,895,549</u>	<u>\$ 5,495,460</u>

## Note A - Summary of Significant Accounting Policies (Continued)

Permanently restricted net assets are donor designated and consist of the original donor gifts. Permanently restricted net assets are to be held in perpetuity and the investment interest and dividends are restricted to scholarships and grants. At June 30, permanently restricted net assets were held for the following purposes:

	<u>2013</u>	<u>2012</u>
Scholarships and grants	\$ 1,113,832	\$ 1,053,031
Museum support	<u>25,342</u>	<u>70,343</u>
	<u>\$ 1,139,174</u>	<u>\$ 1,123,374</u>

### Risks and Uncertainties

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 that such changes could materially affect the amounts reported in the balance sheet.

### Concentration of Credit Risk

The Foundation maintains balances at one bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

### Marketable Securities

Marketable securities are recorded at fair value based on quoted market price on the last day of the fiscal year. Realized gains and losses are determined using the specific identification method. Unrealized gains and losses are included in earnings.

Donated marketable securities are recorded at fair value at the date of 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 disclosures in the financial statements. Actual results could differ from those estimates.

## **Note A - Summary of Significant Accounting Policies (Continued)**

### **Federal Income Taxes**

The Foundation qualifies for exempt status for federal tax purposes under Section 501(c)(3) of the Internal Revenue Code. Therefore, it is not subject to tax under present federal and state tax laws. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. 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 2010.

### **Functional Expenses**

The Foundation is required to provide information about expenses by their functional classification. Functional classifications most likely to be used by the Foundation include grants to Kalamazoo Valley Community College, grants to Kalamazoo Valley Museum, fundraising, and other.

Grants to Kalamazoo Valley Community College result from distributions in support of student scholarships and grants and for grants made to the college in support of targeted initiatives, in congruence with the Foundation's mission. Grants to Kalamazoo Valley Museum result from distributions for museum programming and initiatives on behalf of donors. Fundraising and other expenses result from the costs of fundraising activities involved in soliciting gifts from donors and investment of Foundation funds.

Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

### **Subsequent Event**

The financial statements and related disclosures include evaluation of events up through and including October 24, 2013, which is the date the financial statements were available to be issued.

## Note B - Marketable Securities

Historical cost, market values, and unrealized appreciation of marketable securities are summarized as follows:

<u>Description</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual Funds - June 30, 2013	\$ 9,699,558	\$ 12,204,369	\$ 2,504,811
Mutual Funds - June 30, 2012	\$ 9,562,129	\$ 10,588,213	\$ 1,026,084

Net gains/(losses) from security transactions for the years ended June 30, 2013 and 2012 include net unrealized gains/(losses) of \$1,478,727 and (\$236,190), respectively, and net realized gains/(losses) of \$112,503 and (\$2), respectively.

## Note C - Contributions Receivable

Contributions receivable at June 30 consist of the following unconditional promises to give:

	<u>2013</u>	<u>2012</u>
Museum capital campaign	\$ 32,023	\$ 32,023
Scholarships and grants	<u>23,250</u>	<u>30,000</u>
Gross unconditional promises to give	55,273	62,023
Less: Allowance for uncollectibles	3,500	3,500
Present value discount	<u>8,150</u>	<u>15,730</u>
Net unconditional promises to give	<u>\$ 43,623</u>	<u>\$ 42,793</u>
Amounts due in:		
Less than one year	\$ 7,750	\$ 7,500
One to five years	15,500	22,500
Five to ten years	<u>32,023</u>	<u>32,023</u>
Total	<u>\$ 55,273</u>	<u>\$ 62,023</u>

Imputed interest rates of 6 percent for the museum campaign and 0.3 to 0.5 percent for scholarship and grants were used to calculate the net realizable values for 2013 and 2012.

#### **Note D - Related Party**

Kalamazoo Valley Community College (KVCC or the “College”) is a public two-year institution offering a broad array of pre-baccalaureate programs as well as non-collegiate programs and services. Some of these services include general education, employment skills training, student and community services, and economic development activities. During the years ended June 30, 2013 and 2012, the Foundation made grants and distributions to and on behalf of the College totaling \$412,652 and \$422,541, respectively.

In addition, the College has governance of the Kalamazoo Valley Museum. During the years ended June 30, 2013 and 2012, the Foundation made grants and distributions to and on behalf of the Museum totaling \$109,945 and \$116,109, respectively.

As of June 30, 2013 and 2012, the Foundation had program and fundraising payables due to KVCC of \$40,499 and \$55,577, respectively.

#### **Note E - Transfers**

During the year ended June 30, 2013, net assets were transferred between net asset classifications based on documentation between the Foundation and various donors.

#### **Note F - Donor-restricted and Board-designated Endowments**

Endowments include both donor-restricted endowment funds and funds designated by the Foundation Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Foundation Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Those funds listed as board-designated endowments represent funds designated by the Foundation Board to function as endowments. Those funds that were originally unrestricted by the donor are classified as unrestricted; those funds originally restricted by the donor for a specific purpose are temporarily restricted. Temporarily restricted assets that the Foundation Board has designated to be spent over time and function as an endowment while meeting the donor’s original intent are classified as quasi endowments.

## Note F – Donor-restricted and Board-designated Endowments (Continued)

### Interpretation of Relevant Law

The Foundation Board has interpreted the Uniform Prudent Management of Institutional Funds Act (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 (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The 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 long-term and short-term needs of the Foundation in carrying out its charitable purpose
- (2) The present and anticipated financial requirements of the Foundation
- (3) The expected total return on investments
- (4) Price level trends
- (5) General economic conditions

### Endowment Net Asset Composition by Type of Fund as of June 30, 2013

Type of Fund	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ -	\$ 708,507	\$ 1,139,174	\$ 1,847,681
Quasi endowment	-	5,831,627	-	5,831,627
Board-designated endowment	505,905	-	-	505,905
Total	<u>\$ 505,905</u>	<u>\$ 6,540,134</u>	<u>\$ 1,139,174</u>	<u>\$ 8,185,213</u>

### Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2013

Type of Fund	Unrestricted (Rex Hall)	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 385,691	\$ 5,197,909	\$ 1,123,374	\$ 6,706,974
Investment income	8,958	137,407	-	146,365
Net appreciation in market value	111,256	1,309,489	-	1,420,745
Appropriation of endowment net assets for expenditures	-	(126,171)	-	(126,171)
Contributions	-	-	37,300	37,300
Net asset transfer	-	21,500	(21,500)	-
Endowment net assets - End of year	<u>\$ 505,905</u>	<u>\$ 6,540,134</u>	<u>\$ 1,139,174</u>	<u>\$ 8,185,213</u>

## Note F – Donor-restricted and Board-designated Endowments (Continued)

### Endowment Net Asset Composition by Type of Fund as of June 30, 2012

Type of Fund	Unrestricted	Temporarily Restrict	Permanently Restricted	Total
Donor-restricted endowment	\$ (243)	\$ 339,045	\$ 1,123,374	\$ 1,462,176
Quasi endowment	-	4,858,864	-	4,858,864
Board-designated endowment	385,934	-	-	385,934
Total	<u>\$ 385,691</u>	<u>\$ 5,197,909</u>	<u>\$ 1,123,374</u>	<u>\$ 6,706,974</u>

### Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2012

Type of Fund	Unrestricted (Rex Hall)	Temporarily Restrict	Permanently Restricted	Total
Endowment net assets - Beginning of year	\$ 383,288	\$ 5,287,687	\$ 1,056,204	\$ 6,727,179
Investment income	11,745	185,128	-	196,873
Net depreciation in market value	(9,342)	(140,722)	-	(150,064)
Appropriation of endowment net assets for expenditures	-	(124,962)	-	(124,962)
Contributions	-	-	67,170	\$ 67,170
Others	-	(9,222)	-	(9,222)
Endowment net assets - End of year	<u>\$ 385,691</u>	<u>\$ 5,197,909</u>	<u>\$ 1,123,374</u>	<u>\$ 6,706,974</u>

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$243 as of June 30, 2012. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Foundation Board. There were no such deficiencies as of June 30, 2013.

### Return Objectives and Risk Parameters

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 as well as board-designated funds. Under this policy, as approved by the Foundation Board, the endowment assets are invested in a manner that is intended to produce the following results:

1. Capital growth over the long term consistent with the preservation of capital;
2. To achieve the highest possible total return commensurate with the moderate level of risk assumed, over a three- to five-year cycle; and,

## **Note F - Donor-restricted and Board-designated Endowments (Continued)**

3. To expect its endowment funds, over time, to provide an average rate of return of approximately 5 percent over the Consumer Price Index (CPI) annually. Actual returns in any given year may vary from this amount.

### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation appropriates for distribution each year endowment funds pursuant to donor agreements. In establishing donor agreements, the Foundation considers the long-term expected return on its investments. Accordingly, over the long term, the Foundation expects donor-restricted funds to maintain their purchasing power as well as to provide additional real growth through new gifts and investment return.

The Foundation utilizes a total return method distribution policy for unrestricted funds. The total return method allows for a long-term investment approach in order to achieve an expected rate of return greater than the total of the distribution rate, inflation rate, and custodian fees and which will maintain the purchasing power of the unrestricted balance.

Under the total return concept, the Foundation utilizes a 5 percent distribution rate based on a rolling average of the unrestricted balance. This distributable amount is made available for grants and Foundation operations. If the traditional yield (interest and dividend income) is not sufficient to support the 5 percent distribution rate, the difference is made up from the accumulated unrestricted balance. If the traditional yield exceeds the 5 percent distribution rate, the excess is reinvested in the unrestricted balance.

## **Note G - Fair Value Measurements**

The following table presents information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2013 and 2012 and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

## Note G - Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Foundation's policy is to recognize transfers in and transfers out of the Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer.

Disclosures concerning assets measured at fair value on a recurring basis are as follows:

### Fair Value Measurements at June 30, 2013

Assets	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2013
International Mutual Funds	\$ 1,639,135	\$ -	\$ -	\$ 1,639,135
Small Cap Growth Mutual Fund	862,650	-	-	862,650
Small Cap Value Mutual Fund	808,729	-	-	808,729
Intermediate-Term Bond Fund	2,123,786	-	-	2,123,786
Mid Cap Growth Mutual Fund	638,102	-	-	638,102
Large Cap Value Mutual Fund	1,646,355	-	-	1,646,355
Large Cap Growth Mutual Fund	1,519,017	-	-	1,519,017
Large Cap Blend Mutual Fund	<u>2,966,595</u>	<u>-</u>	<u>-</u>	<u>2,966,595</u>
Total	<u>\$ 12,204,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,204,369</u>

## Note G - Fair Value Measurements (Continued)

### Fair Value Measurements at June 30, 2012

Assets	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2012
International Mutual Funds	\$ 1,467,764	\$ -	\$ -	\$ 1,467,764
Small Cap Growth Mutual Fund	696,316	-	-	696,316
Small Cap Value Mutual Fund	663,537	-	-	663,537
Intermediate-Term Bond Fund	2,305,491	-	-	2,305,491
Large Cap Value Mutual Fund	1,280,254	-	-	1,280,254
Large Cap Growth Mutual Fund	1,457,267	-	-	1,457,267
Large Cap Blend Mutual Fund	2,717,584	-	-	2,717,584
Total	<u>\$ 10,588,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,588,213</u>

## Note H - Upcoming Accounting Pronouncement

In April 2013, the FASB issued Accounting Standards Update 2013-06, *Not-for-Profit Entities: Services Received from Personnel of an Affiliate*. The standard provides guidance on how to account for contributed personnel services from an affiliate. The standard clarifies that all contributed services received from an affiliate that directly benefit the recipient not-for-profit should be recognized. The standard will be effective for annual periods beginning after June 15, 2014. The Foundation is currently evaluating the impact this standard will have on the financial statements when adopted during the June 30, 2015 fiscal year.

## Other Financial Information

Report of Independent Auditors on Other Financial Information

To the Board of Trustees  
Kalamazoo Valley Community  
College Foundation

We have audited the financial statements of Kalamazoo Valley Community College Foundation (the "Foundation") as of and for the years ended June 30, 2013 and 2012. Our audits were conducted for the purpose of forming opinions on the financial statements that comprise Kalamazoo Valley Community College Foundation's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plante & Moran, PLLC*

October 24, 2013

# Kalamazoo Valley Community College Foundation

## Schedule of Grants to Kalamazoo Valley Community College

	June 30			
	2013		2012	
	College	Museum	College	Museum
Kalamazoo Valley Community College Foundation Grants:				
College scholarships and awards:				
President's student assistance fund	\$ -	\$ -	\$ 2,000	\$ -
Student assistance fund	293,029	-	298,538	-
Other grants	21,635	-	28,275	-
Kalamazoo Valley Museum mini-grants and awards	-	14,498	-	46,478
Endowed grants:				
College endowed grants	29,248	-	89,930	-
Kalamazoo Valley Museum endowed grants	-	1,918	-	-
Named grants:				
College named grants	68,740	-	3,798	-
Kalamazoo Valley Museum named grants	-	93,529	-	69,631
Total grants	<b>\$ 412,652</b>	<b>\$ 109,945</b>	<b>\$ 422,541</b>	<b>\$ 116,109</b>