

**William Paterson University
of
New Jersey Foundation, Inc.**

**(A Component Unit of The William
Paterson University of New Jersey)**

Financial Statements

June 30, 2017 and 2016



Independent Auditors' Report

To the Board of Directors of
William Paterson University of New Jersey Foundation, Inc.

We have audited the accompanying financial statements of the William Paterson University of New Jersey Foundation, Inc., (the "Foundation"), a component unit of The William Paterson University of New Jersey, which comprise that statement of financial position as of June 30, 2017 and 2016, and the related statements 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.

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 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 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.

To the Board of Directors of
William Paterson University of New Jersey Foundation, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the William Paterson University of New Jersey Foundation, Inc., as of June 30, 2017 and 2016, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Support by Activity and Schedules of Grants and Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

September 19, 2017

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Statements of Financial Position

	June 30,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 5,085,823	\$ 3,941,457
Investments	19,075,958	16,530,909
Promises to give, net	1,751,857	2,499,547
Interest receivable	41,346	38,863
Prepaid expenses and other assets	2,357	1,255
	\$ 25,957,341	\$ 23,012,031
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 54,705	\$ 197,555
Accrued expenses	14,463	13,275
Grants payable	83,719	31,737
Annuities payable	366,223	289,631
Deferred revenue	21,750	18,325
Refundable advance	350,000	350,000
Total Liabilities	890,860	900,523
 Net Assets		
Unrestricted		
Undesignated	2,180,285	1,332,974
Board designated	2,146,565	2,059,256
Total Unrestricted Net Assets	4,326,850	3,392,230
Temporarily restricted	10,080,732	9,123,229
Permanently restricted	10,658,899	9,596,049
Total Net Assets	25,066,481	22,111,508
	\$ 25,957,341	\$ 23,012,031

See notes to financial statements

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Statements of Activities

Years Ended June 30, 2017 and 2016

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Statements of Activities

	Year Ended June 30, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT				
Scholarship	\$ 32,597	\$ 676,025	\$ 1,062,850	\$ 1,771,472
Fund-raising	140,191	216,119	-	356,310
Campus activities	20,314	824,967	-	845,281
Development	1,400,299	24,725	-	1,425,024
Community activities	-	2,500	-	2,500
Capital projects	975	(1,977)	-	(1,002)
Investment activities	975,738	1,315,480	-	2,291,218
Total Support	2,570,114	3,057,839	1,062,850	6,690,803
Net assets released from restrictions	2,100,336	(2,100,336)	-	-
	<u>4,670,450</u>	<u>957,503</u>	<u>1,062,850</u>	<u>6,690,803</u>
GRANTS AND EXPENSES				
Scholarships/grants	1,180,284	-	-	1,180,284
Fund-raising	87,887	-	-	87,887
Campus activities	970,761	-	-	970,761
Development	1,470,561	-	-	1,470,561
Community activities	6,446	-	-	6,446
Capital projects	19,891	-	-	19,891
Total Grants and Expenses	3,735,830	-	-	3,735,830
Change in Net Assets	934,620	957,503	1,062,850	2,954,973
NET ASSETS				
Beginning of year	3,392,230	9,123,229	9,596,049	22,111,508
End of year	<u>\$ 4,326,850</u>	<u>\$ 10,080,732</u>	<u>\$ 10,658,899</u>	<u>\$ 25,066,481</u>

See notes to financial statements

Year Ended June 30, 2016

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 6,510	\$ 565,533	\$ 643,387	\$ 1,215,430
158,565	257,687	-	416,252
107,424	778,712	-	886,136
1,348,151	-	-	1,348,151
-	19,200	-	19,200
1,350	1,570	-	2,920
(471,856)	18,351	-	(453,505)
1,150,144	1,641,053	643,387	3,434,584
2,088,106	(2,088,106)	-	-
3,238,250	(447,053)	643,387	3,434,584
1,065,904	-	-	1,065,904
115,438	-	-	115,438
1,184,296	-	-	1,184,296
1,401,793	-	-	1,401,793
13,836	-	-	13,836
1,838	-	-	1,838
3,783,105	-	-	3,783,105
(544,855)	(447,053)	643,387	(348,521)
3,937,085	9,570,282	8,952,662	22,460,029
<u>\$ 3,392,230</u>	<u>\$ 9,123,229</u>	<u>\$ 9,596,049</u>	<u>\$ 22,111,508</u>

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Statements of Cash Flows

	Year Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,954,973	\$ (348,521)
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized (gain) loss on sale of investments	(550,675)	23,891
Unrealized (gain) loss on investments	(1,540,620)	768,297
Bad debts expense	60,013	-
Change in operating assets and liabilities		
Promises to give	687,677	(314,833)
Interest receivable	(2,483)	22,010
Prepaid expenses and other assets	(1,102)	730
Accounts payable	(142,850)	175,667
Accrued expenses	1,188	275
Grants payable	51,982	(59,358)
Annuities payable	76,592	(54,627)
Deferred revenue	3,425	4,225
Net Cash from Operating Activities	1,598,120	217,756
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(4,743,135)	(4,058,018)
Proceeds from disposition of investments	4,289,381	3,667,032
Net Cash from Investing Activities	(453,754)	(390,986)
Net Change in Cash and Cash Equivalents	1,144,366	(173,230)
CASH AND CASH EQUIVALENTS		
Beginning of year	3,941,457	4,114,687
End of year	\$ 5,085,823	\$ 3,941,457

See notes to financial statements

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Notes to Financial Statements
June 30, 2017 and 2016

1. Nature of the Organization

The William Paterson University of New Jersey Foundation, Inc. (the "Foundation") is comprised of various funds and associations for the purpose of awarding scholarships, promoting the arts and encouraging further studies in various academic fields. The Foundation is a nonprofit organization which is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") which requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as permanently restricted, temporarily restricted or unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, certificates of deposit and money market funds maturing in three months or less from the time of purchase, which can be readily converted to cash.

Promises to Give

Unconditional promises to give are recognized as receivables and as revenues in the period in which the Foundation is notified by the donor of his or her commitment to make a contribution. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.25% and 3.50% for the years ending June 30, 2017 and 2016. The discount is amortized and included in support over the life of the pledge.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Promises to Give (continued)

The Foundation uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts is based on management's evaluation of outstanding receivables at the end of the year. In the opinion of management, substantially all of the receivables are considered to be realizable at the amounts stated in the accompanying statements of financial position and no allowance for doubtful accounts is considered necessary.

Fair Value of Financial Instruments

The Foundation follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The value by input level of the Foundation's investments are included in Note 7 to the financial statements.

Investments Valuation

Investments are carried at fair value.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Unrealized gains and losses are included in the change in net assets. Investment income or loss is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Annuities Payable

Annuities payable represent gifts received under agreements which guarantee to pay the donor a fixed amount over the remainder of their lives. The assets of the agreements are placed in investments, the earnings of which are used to offset the payment required under the agreement. The net present value of the actuarially expected annuity payments is recorded as a liability.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. When a temporary 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.

Functional Allocation of Expenses

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

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to income tax examinations by the applicable taxing jurisdictions for periods prior to the year 2014.

Reclassification

Certain reclassifications have been made to prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 19, 2017.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

3. Donated Services

The Foundation has recognized in-kind contribution revenue and a corresponding expense amounting to \$1,332,248 and \$1,207,771 for the years ended June 30, 2017 and 2016 which is included in the Statements of Activities. This in-kind contribution represents compensation associated with personnel who are paid directly by the University and are not subject to reimbursement by the Foundation.

4. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash, cash equivalents, and investments. The Foundation maintains its cash in bank deposit accounts, the balances of which, at times, may exceed Federally insured limits.

5. Promises to Give

The Foundation's contributions receivable as of June 30, consists of promises to give as follows:

	2017	2016
Receivable in less than one year	\$ 910,490	\$ 1,231,925
Receivable in more than one year but less than five years	725,796	1,064,560
Receivable in more than five years	<u>98,965</u>	<u>240,910</u>
	1,735,251	2,537,395
Less discounts to net present value	<u>(107,658)</u>	<u>(157,844)</u>
Net Unconditional Promises to Give	1,627,593	2,379,551
Promises to give through interests in trusts, at estimated present value	<u>124,264</u>	<u>119,996</u>
	<u>\$1,751,857</u>	<u>\$ 2,499,547</u>

Net unconditional promises to give at June 30, consist of the following:

	2017	2016
Unrestricted	\$ 56,472	\$ 55,222
Temporarily restricted	1,192,714	1,848,912
Permanently restricted	<u>502,671</u>	<u>595,413</u>
	<u>\$1,751,857</u>	<u>\$ 2,499,547</u>

Included in "promises to give" is the estimated present value of the Foundation's residual interests in funds held in trust.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
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5. Promises to Give (continued)

In November 1999, a charitable remainder unitrust was established for the benefit of William Paterson University. Under the terms of the trust agreement, William Paterson University will receive \$138,000 at the conclusion of the twenty-year term.

In June 2006, a bequest of a life insurance policy was established for the benefit of William Paterson University. Under the terms of this bequest, William Paterson University will receive \$23,205 upon the donor's death. A life expectancy of fifteen years and a discount rate of 3.25% were used in computing the present value of the receivable for the years ending June 30, 2017 and 2016.

6. Investments

Investments are stated at fair value and are summarized as follows at June 30:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Fixed Income Securities				
Custodian Accounts				
Goldman Sachs	\$ 6,174,274	\$ 6,093,203	\$ 4,915,669	\$ 4,834,121
Equity Securities				
Custodian Accounts				
Goldman Sachs	10,169,327	12,915,179	10,423,503	11,632,500
Scottrade	40,915	67,576	40,915	64,288
	<u>10,210,242</u>	<u>12,982,755</u>	<u>10,464,418</u>	<u>11,696,788</u>
	<u>\$ 16,384,516</u>	<u>\$ 19,075,958</u>	<u>\$ 15,380,087</u>	<u>\$ 16,530,909</u>

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Notes to Financial Statements
June 30, 2017 and 2016

6. Investments (continued)

The following schedule summarizes the investment return and its classifications in the statement of activities:

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Interest and dividends, net of \$116,279 and \$112,406 for 2017 and 2016, in investment fees	\$ (314,066)	\$ 513,989	\$ (193,820)	\$ 532,503
Realized gain (loss) on sale of investments	550,675	-	(23,891)	-
Unrealized gain (loss) on investments	<u>739,129</u>	<u>801,491</u>	<u>(254,145)</u>	<u>(514,152)</u>
	<u>\$ 975,738</u>	<u>\$ 1,315,480</u>	<u>\$ (471,856)</u>	<u>\$ 18,351</u>

7. Fair Value

The fair value of investments at June 30, and their fair value level hierarchy are as follows:

	2017			Total
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
Equity securities				
U.S. equities	\$ 9,259,673	\$ -	\$ -	\$ 9,259,673
Non-U.S. equities	3,723,082	-	-	3,723,082
Government securities	4,287,364	-	-	4,287,364
Corporate bonds	-	1,805,839	-	1,805,839
Total at Fair Value	<u>\$ 17,270,119</u>	<u>\$ 1,805,839</u>	<u>\$ -</u>	<u>\$ 19,075,958</u>

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

7. Fair Value (continued)

	2016			Total
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	
	Level 1	Level 2	Level 3	
Equity securities				
U.S. equities	\$ 8,661,816	\$ -	\$ -	\$ 8,661,816
Non-U.S. equities	3,034,972	-	-	3,034,972
Government securities	3,310,582	-	-	3,310,582
Corporate bonds	-	<u>1,523,539</u>	-	<u>1,523,539</u>
Total at Fair Value	<u>\$ 15,007,370</u>	<u>\$ 1,523,539</u>	<u>\$ -</u>	<u>\$ 16,530,909</u>

Investments Risks and Uncertainties

The Foundation has a private equity investment which is not a readily marketable investment as it consists of non-voting common stock shares in a privately held company. The investment is not currently traded in a public market. Fair value has been estimated at November 30, 2011 using the market approach which calculates the value of a business, business ownership interest, security or intangible assets by using one or more methods that compare the company to similar businesses that have been sold. As of June 30, 2017 and 2016, the fair value of the stock could not be readily determined and it is not deemed salable in the near term. An allowance reserve has been established for the full value of this security which totaled \$1,000,000 at June 30, 2017 and 2016 as management has determined that its value is uncertain.

Estimates require significant degrees of judgment because of the inherent uncertainty of valuations. The estimated fair values may differ significantly from the values that would have been used had a ready market for such investment existed or had such investment been liquidated, and those differences could be material.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

8. Temporarily Restricted Net Assets/Net Assets Released From Restrictions

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

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 5,873,669	\$5,772,299
Campus activities	2,548,317	2,500,756
Development	282,016	259,783
Capital projects	330,945	342,914
Community activities	22,664	25,847
Investments - endowments	<u>1,023,121</u>	<u>221,630</u>
	<u>\$10,080,732</u>	<u>\$9,123,229</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30 as follows:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 1,166,466	\$1,057,010
Campus activities	905,473	1,016,240
Development	2,492	-
Capital projects	19,459	1,020
Community activities	<u>6,446</u>	<u>13,836</u>
	<u>\$ 2,100,336</u>	<u>\$2,088,106</u>

9. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, are as follows:

	<u>2017</u>	<u>2016</u>
Investments in perpetuity, the income from which is expendable to support designated activities of the Foundation.	<u>\$10,658,899</u>	<u>\$ 9,596,049</u>

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

10. Functional Expenses

The functional expense breakdown is as follows for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Programs	\$2,265,270	\$2,382,978
General and administration	453,353	387,418
Fundraising	<u>1,017,207</u>	<u>1,012,709</u>
	<u>\$3,735,830</u>	<u>\$3,783,105</u>

11. Endowment Funds

The Foundation currently maintains various donor-restricted and board-designated endowment funds whose purposes are to provide long term support for the programs of The William Paterson University of New Jersey. In classifying such funds for financial statement purposes as either permanently restricted, temporarily restricted or unrestricted net assets, the Board of Directors looks to the explicit directions of the donor or the Foundation's Board where applicable and the provisions of the laws of the State of New Jersey. The Board has determined that, absent donor stipulations to the contrary, the provisions of State law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from the original gift and/or additional gifts.

Unless otherwise specified by the donor, the Board utilizes a spending rate ranging from four to seven percent of the annual investment earnings (income plus capital appreciation) of each endowment to determine distributions from the endowment. In most cases, a required minimum balance for each endowment must be achieved and maintained before a distribution can be made.

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
June 30, 2017 and 2016

11. Endowment Funds

The following is a reconciliation of the activity in the Endowment funds for the years ended June 30:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2016	\$ 2,146,982	\$ 781,148	\$ 9,154,638	\$ 12,082,768
Contributions and pledge collections	25,625	61,988	1,139,592	1,227,205
Investment income	117,824	348,356	-	466,180
Appropriated for program expenditures	(56,140)	(317,972)	-	(374,112)
	<u>2,234,291</u>	<u>873,520</u>	<u>10,294,230</u>	<u>13,402,041</u>
Investment gain	203,354	801,491	-	1,004,845
Balance, June 30, 2017	<u>\$ 2,437,645</u>	<u>\$ 1,675,011</u>	<u>\$ 10,294,230</u>	<u>\$ 14,406,886</u>
Comprised of the following:				
Other unrestricted funds	\$ 291,080	\$ -	\$ -	\$ 291,080
Donor restricted funds	-	1,675,011	10,294,230	11,969,241
Board designated funds	2,146,565	-	-	2,146,565
	<u>\$ 2,437,645</u>	<u>\$ 1,675,011</u>	<u>\$ 10,294,230</u>	<u>\$ 14,406,886</u>
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2015	\$ 2,283,264	\$ 1,203,115	\$ 8,748,099	\$ 12,234,478
Contributions and pledge collections	-	21,788	406,539	428,327
Investment income	93,634	357,693	-	451,327
Appropriated for program expenditures	(73,275)	(287,296)	-	(360,571)
	<u>2,303,623</u>	<u>1,295,300</u>	<u>9,154,638</u>	<u>12,753,561</u>
Investment loss	(156,641)	(514,152)	-	(670,793)
Balance, June 30, 2016	<u>\$ 2,146,982</u>	<u>\$ 781,148</u>	<u>\$ 9,154,638</u>	<u>\$ 12,082,768</u>
Comprised of the following:				
Other unrestricted funds	\$ 87,726	\$ -	\$ -	\$ 87,726
Donor restricted funds	-	781,148	9,154,638	9,935,786
Board designated funds	2,059,256	-	-	2,059,256
	<u>\$ 2,146,982</u>	<u>\$ 781,148</u>	<u>\$ 9,154,638</u>	<u>\$ 12,082,768</u>

William Paterson University of New Jersey Foundation, Inc.
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Notes to Financial Statements
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12. Related Party Transactions

The Foundation and the William Paterson University of New Jersey Alumni Association (the Association) entered into an agreement whereby the Foundation assumed the fund raising activities of the Association.

All contributions by alumni are to be recorded as contributions to the Foundation. All unrestricted contributions made by alumni will be maintained in a fund designated by the Board as the Alumni Annual Fund. All unrestricted bequests made by alumni will be maintained in a fund designated by the Board as the Alumni Bequest Fund. The Alumni Annual Fund and the Alumni Bequest Fund will be distributed for the benefit of University initiatives including scholarships, grants, faculty and student enrichment programs.

At July 1, 2017 and 2016, the Association had \$350,000 in net assets which it agreed to contribute as an endowment for the William Paterson University of New Jersey Alumni Association Distinguished Visiting Professorship (DVP). Such amount has been recorded as a refundable advance because the University can withdraw its support for the DVP on or prior to June 30, 2018, and if no suitable alternate program is found, then the Association's original contribution to the program will be returned to the Association.

Accounts payable includes amounts due to William Paterson University of \$20,267 and \$155,205 at June 30, 2017 and 2016. Grants payable of \$83,719 and \$31,736 are also due to William Paterson University at June 30, 2017 and 2016.

The Foundation makes payments to the University for gifts and reimbursement of certain expenditures including salaries and fringe benefits. These payments by the Foundation to the University were approximately \$2,171,979 and \$2,206,228 for the years ended June 30, 2017 and 2016.

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Schedules of Support by Activity and Schedules of Grants and Expenses

Years Ended June 30, 2017 and 2016

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Schedules of Support by Activity

	Year Ended June 30, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT BY ACTIVITY				
Scholarships				
Contributions	\$ 25,625	\$ 676,025	\$ 1,062,850	\$ 1,764,500
Miscellaneous	6,972	-	-	6,972
	<u>32,597</u>	<u>676,025</u>	<u>1,062,850</u>	<u>1,771,472</u>
Fund Raising				
Contribution	41,630	216,119	-	257,749
Fund-raising events	98,561	-	-	98,561
	<u>140,191</u>	<u>216,119</u>	<u>-</u>	<u>356,310</u>
Campus Activities				
Contributions	19,899	824,967	-	844,866
Miscellaneous	415	-	-	415
	<u>20,314</u>	<u>824,967</u>	<u>-</u>	<u>845,281</u>
Development				
Contributions	1,400,299	24,725	-	1,425,024
Community Activities				
Contributions	-	2,500	-	2,500
Ticket and subscription sales	-	-	-	-
	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Capital Projects				
Contributions	-	(1,977)	-	(1,977)
Miscellaneous	975	-	-	975
	<u>975</u>	<u>(1,977)</u>	<u>-</u>	<u>(1,002)</u>
Investment Activities				
Interest and dividends	(314,066)	513,989	-	199,923
Realized gain (loss) on sale of investments	550,675	-	-	550,675
Unrealized gain (loss) on investments	739,129	801,491	-	1,540,620
	<u>975,738</u>	<u>1,315,480</u>	<u>-</u>	<u>2,291,218</u>
Total	<u>\$ 2,570,114</u>	<u>\$ 3,057,839</u>	<u>\$ 1,062,850</u>	<u>\$ 6,690,803</u>
SUPPORT BY TYPE				
Contributions	\$ 1,487,453	\$ 1,742,359	\$ 1,062,850	\$ 4,292,662
Fund-raising events	98,561	-	-	98,561
Miscellaneous	8,362	-	-	8,362
Interest and dividends	(314,066)	513,989	-	199,923
Realized gain (loss) on sale of investments	550,675	-	-	550,675
Unrealized gain (loss) on investments	739,129	801,491	-	1,540,620
Total	<u>\$ 2,570,114</u>	<u>\$ 3,057,839</u>	<u>\$ 1,062,850</u>	<u>\$ 6,690,803</u>

See independent auditors' report

Year Ended June 30, 2016

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 565,533	\$ 643,387	\$ 1,208,920
<u>6,510</u>	<u>-</u>	<u>-</u>	<u>6,510</u>
<u>6,510</u>	<u>565,533</u>	<u>643,387</u>	<u>1,215,430</u>
45,394	257,687	-	303,081
<u>113,171</u>	<u>-</u>	<u>-</u>	<u>113,171</u>
<u>158,565</u>	<u>257,687</u>	<u>-</u>	<u>416,252</u>
95,982	778,712	-	874,694
<u>11,442</u>	<u>-</u>	<u>-</u>	<u>11,442</u>
<u>107,424</u>	<u>778,712</u>	<u>-</u>	<u>886,136</u>
<u>1,348,151</u>	<u>-</u>	<u>-</u>	<u>1,348,151</u>
-	19,200	-	19,200
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>19,200</u>	<u>-</u>	<u>19,200</u>
-	1,570	-	1,570
<u>1,350</u>	<u>-</u>	<u>-</u>	<u>1,350</u>
<u>1,350</u>	<u>1,570</u>	<u>-</u>	<u>2,920</u>
(193,820)	532,503	-	338,683
(23,891)	-	-	(23,891)
<u>(254,145)</u>	<u>(514,152)</u>	<u>-</u>	<u>(768,297)</u>
<u>(471,856)</u>	<u>18,351</u>	<u>-</u>	<u>(453,505)</u>
<u>\$ 1,150,144</u>	<u>\$ 1,641,053</u>	<u>\$ 643,387</u>	<u>\$ 3,434,584</u>
\$ 1,489,527	\$ 1,622,702	\$ 643,387	\$ 3,755,616
113,171	-	-	113,171
19,302	-	-	19,302
(193,820)	532,503	-	338,683
(23,891)	-	-	(23,891)
<u>(254,145)</u>	<u>(514,152)</u>	<u>-</u>	<u>(768,297)</u>
<u>\$ 1,150,144</u>	<u>\$ 1,641,053</u>	<u>\$ 643,387</u>	<u>\$ 3,434,584</u>

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Schedules of Grants and Expenses

Year Ended June 30, 2017

	Scholarship	Fund Raising	Campus Activities	Development	Community Activities	Capital Projects	2017 Total Expenses
GRANTS AND EXPENSES							
Scholarships/grants	\$ 880,993	-	\$ 4,000	\$ -	\$ -	-	\$ 884,993
Student awards	4,575	-	250	-	-	-	4,825
Professional services	4,575	8,473	605	1,461,261	1,000	3,628	1,479,542
Receptions	-	31,351	3,791	164	-	432	35,738
Grants to William Paterson University Programs	239,615	-	933,510	-	5,446	4,360	1,182,931
Support to William Paterson Alumni Association	-	-	-	-	-	-	-
In-kind gifts	-	-	17,399	-	-	-	17,399
Materials and supplies	1,586	11,604	9,891	-	-	1,648	24,729
Rent	-	23,149	-	-	-	-	23,149
Travel	-	-	65	-	-	-	65
Prizes/awards	-	12,750	-	-	-	-	12,750
Bad debts expenses	48,940	-	1,250	-	-	9,823	60,013
Miscellaneous	-	560	-	9,136	-	-	9,696
	<u>\$ 1,180,284</u>	<u>\$ 87,887</u>	<u>\$ 970,761</u>	<u>\$ 1,470,561</u>	<u>\$ 6,446</u>	<u>\$ 19,891</u>	<u>\$ 3,735,830</u>

William Paterson University of New Jersey Foundation, Inc.
(A Component Unit of The William Paterson University of New Jersey)

Schedules of Grants and Expenses

Year Ended June 30, 2016

	Scholarship	Fund Raising	Campus Activities	Development	Community Activities	Capital Projects	2016 Total Expenses
GRANTS AND EXPENSES							
Scholarships/grants	\$ 816,231	\$ -	\$ 211	\$ -	\$ -	\$ -	\$ 816,442
Student awards	4,575	-	-	240	-	-	4,815
Professional services	1,395	27,234	6,570	1,391,912	-	-	1,427,111
Receptions	466	34,792	4,956	195	-	818	41,227
Grants to William Paterson University Programs	227,218	-	1,049,032	1,500	13,836	1,020	1,292,606
Support to William Paterson Alumni Association	6,233	-	-	-	-	-	6,233
In-kind gifts	3,895	-	95,982	-	-	-	99,877
Materials and supplies	5,491	13,155	24,925	305	-	-	43,876
Rent	-	28,207	-	-	-	-	28,207
Travel	400	-	2,620	-	-	-	3,020
Prizes/awards	-	11,550	-	-	-	-	11,550
Bad debts expenses	-	-	-	-	-	-	-
Miscellaneous	-	500	-	7,641	-	-	8,141
	<u>\$1,065,904</u>	<u>\$115,438</u>	<u>\$1,184,296</u>	<u>\$1,401,793</u>	<u>\$ 13,836</u>	<u>\$ 1,838</u>	<u>\$ 3,783,105</u>

See independent auditors' report