

**NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.  
FY 2015-2016 FINANCIAL AUDIT**

**THE NORTH CAROLINA COMMUNITY COLLEGES  
FOUNDATION, INC.**

Financial Statements

June 30, 2016

(With Comparative Totals  
as of June 30, 2015)

## CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6 - 13

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
The North Carolina Community Colleges Foundation, Inc.  
Raleigh, North Carolina

We have audited the accompanying financial statements of The North Carolina Community Colleges Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit 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 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 The North Carolina Community Colleges Foundation, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited The North Carolina Community Colleges Foundation, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Thomas, Judy & Dickel, P.A.*

March 7, 2017

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**

STATEMENT OF FINANCIAL POSITION

June 30, 2016

(With Comparative Totals at June 30, 2015)

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 175,945	\$ 67,603	\$	\$ 243,548	\$ 320,440
Grants Receivable	100,000			100,000	
Prepaid Expenses	2,394			2,394	2,393
Investments, Net	5,524,044	2,067,984		7,592,028	7,666,198
<b>Total Current Assets</b>	<b>5,802,383</b>	<b>2,135,587</b>		<b>7,937,970</b>	<b>7,989,031</b>
Fixed Assets, Net	5,306			5,306	5,306
Other Assets:					
Perpetual Trust			101,866	101,866	107,810
Charitable Remainder Unitrust		80,675		80,675	84,807
Grants Receivable - Long Term	250,000			250,000	
<b>Total Other Assets</b>	<b>250,000</b>	<b>80,675</b>	<b>101,866</b>	<b>432,541</b>	<b>192,617</b>
<b>Total Assets</b>	<b>\$ 6,057,689</b>	<b>\$ 2,216,262</b>	<b>\$ 101,866</b>	<b>\$ 8,375,817</b>	<b>\$ 8,186,954</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities:					
Accounts Payable	\$ 838	\$	\$	\$ 838	\$
Due to Related Party - Current	150,000			150,000	
<b>Total Current Liabilities</b>	<b>150,838</b>			<b>150,838</b>	
Due to Related Party - Long Term	250,000			250,000	
<b>Total Liabilities</b>	<b>400,838</b>			<b>400,838</b>	
Net Assets:					
Unrestricted:					
Undesignated	4,630,455			4,630,455	4,779,434
Board Designated	1,026,396			1,026,396	1,072,316
Temporarily Restricted		2,216,262		2,216,262	2,227,394
Permanently Restricted			101,866	101,866	107,810
<b>Total Net Assets</b>	<b>5,656,851</b>	<b>2,216,262</b>	<b>101,866</b>	<b>7,974,979</b>	<b>8,186,954</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,057,689</b>	<b>\$ 2,216,262</b>	<b>\$ 101,866</b>	<b>\$ 8,375,817</b>	<b>\$ 8,186,954</b>

See Accompanying Notes

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

(With Comparative Totals For the Year Ended June 30, 2015)

	2016				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>2015</u>
Support and Revenues:					
Contributions	\$ 7,030	\$ 416,757	\$	\$ 423,787	\$ 89,741
Contributed Services	16,570			16,570	12,898
Dividend Income	243,656			243,656	324,051
Interest Income	5,462			5,462	4,328
Unrealized Loss on Investments	(230,145)			(230,145)	(202,634)
Decrease in Value of Trusts		(4,132)	(5,944)	(10,076)	(10,323)
Realized Gain (Loss) on Investments	(24,323)			(24,323)	11,062
<b>Total Support and Revenues</b>	<u>18,250</u>	<u>412,625</u>	<u>(5,944)</u>	<u>424,931</u>	<u>229,123</u>
Net Assets Released from from Restrictions	<u>423,757</u>	<u>(423,757)</u>			
<b>Total Support, Revenue and Net Assets Released from Restrictions</b>	<u>442,007</u>	<u>(11,132)</u>	<u>(5,944)</u>	<u>424,931</u>	<u>229,123</u>
Expenses:					
Program Services:					
Scholarships and Awards	64,920			64,920	95,108
Department Projects	114,876			114,876	61,954
Grants	396,676			396,676	
Postage					94
Travel	1,874			1,874	3,986
Management and General:					
Management Fees	33,734			33,734	34,176
Professional Fees	6,637			6,637	23,167
Payroll In-Kind	16,570			16,570	12,898
Miscellaneous	1,619			1,619	3,629
<b>Total Expenses</b>	<u>636,906</u>			<u>636,906</u>	<u>235,012</u>
Change in Net Assets	(194,899)	(11,132)	(5,944)	(211,975)	(5,889)
Net Assets, Beginning of Year	<u>5,851,750</u>	<u>2,227,394</u>	<u>107,810</u>	<u>8,186,954</u>	<u>8,192,843</u>
Net Assets, End of Year	<u>\$ 5,656,851</u>	<u>\$ 2,216,262</u>	<u>\$ 101,866</u>	<u>\$ 7,974,979</u>	<u>\$ 8,186,954</u>

See Accompanying Notes

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**

STATEMENT OF CASH FLOWS

Year Ended June 30, 2016

(With Comparative Totals For the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (211,975)	\$ (5,889)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Realized Loss (Gain) on Investments	24,323	(11,062)
Unrealized Loss on Investments	230,145	202,634
Changes in Assets and Liabilities:		
Increase in Prepaid Expenses		(2,393)
Decrease in Trusts	10,076	10,323
Increase in Grants Receivable	(350,000)	
Increase (Decrease) in Accounts Payable	838	(12,500)
Increase in Due to Related Party	400,000	
Net Cash Provided by Operating Activities	<u>103,407</u>	<u>181,113</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets		(1,306)
Purchase of Investments	(3,290,563)	(800,819)
Distributions from Investments	243,658	324,052
Proceeds from Sale of Investments	2,866,606	187,789
Net Cash Used in Investing Activities	<u>(180,299)</u>	<u>(290,284)</u>
Net Decrease in Cash and Cash Equivalents	(76,892)	(109,171)
Cash and Cash Equivalents, Beginning of Year	<u>320,440</u>	<u>429,611</u>
Cash and Cash Equivalents, End of Year	<u>\$ 243,548</u>	<u>\$ 320,440</u>
Supplemental Disclosures of Noncash Transactions:		
Donated Services	<u>\$ 16,570</u>	<u>\$ 12,898</u>

See Accompanying Notes



**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

1. Business Operations and Summary of Significant Accounting Policies

Business Operations

The North Carolina Community Colleges Foundation, Inc. (the "Foundation") was incorporated on September 11, 1986, and became operational in early 1987. The Foundation was established to support, promote, and assist the mission of the community college system through study and evaluation of the present and future role of community colleges, their impact on small businesses, and to support the continued training and development of the community college system.

Financial Statement Presentation

The Foundation has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205 and subsections. The Foundation is required to report 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. In addition, the Foundation is required to present a statement of cash flows.

Contributions

The Foundation has adopted FASB ASC 958-605 and subsections. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified as net assets released from restriction. Unconditional promises to give are recorded as revenue when promised. All contributions are available for unrestricted use unless specifically restricted by the donor.

Donated Facilities, Services and Materials

The Foundation records the value of donated facilities, services and materials when there is an objective basis available to measure their value.

The Foundation has adopted FASB 958-720-50-3, and subsections as it relates to *Related Party Transactions and Common Control* and ASU 2013-06, *Not-for-Profit Entities: Services Rendered from Personnel of an Affiliate*. Under these provisions, the Foundation is required to report information regarding its services received from personnel of the North Carolina Community College System and the services are to be recognized at fair market value.

Investments

The Foundation accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers short-term, highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. The Foundation had \$122,953 and \$138,490 of cash equivalents at June 30, 2016 and 2015, respectively.

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

1. Business Operations and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and the supporting service benefited.

Net Assets

Net assets of the Foundation and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met by action of the Foundation and/or passage of time.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

*Net Assets Released from Restrictions* – 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.

Use of Estimates

The preparation of the Foundation's 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 statement of financial position and the reported amounts of revenues and expenses included in the statement of activities. Actual results could differ from those estimates.

Fixed Assets

Fixed assets are stated at original cost and are depreciated over their estimated useful life. Artwork is recorded at its fair value at the date of donation and is not depreciated.

Accounting for Uncertainty in Income Taxes

The Foundation is exempt from income taxes as a not-for-profit organization under Internal Revenue Service ("IRS") code section 501(c)(3). During the years ended June 30, 2016 and 2015, the Foundation reported no unrelated business taxable income which is defined by the IRS as gross income derived from any unrelated trade or business that is not substantially related to the organization's tax-exempt purpose. Accordingly, no provision for income taxes has been recorded.

The Foundation adopted the provisions of FASB ASC 740-10-25. Under ASC 740-10-25, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. The implementation had no impact on the Foundation's financial statements.

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

(With Comparative Totals as of June 30, 2015)

1. Business Operations and Summary of Significant Accounting Policies (Continued)

Accounting for Uncertainty in Income Taxes (Continued)

The Foundation does not believe there are any material uncertain tax positions and, accordingly, no liability for unrecognized tax benefits will be recorded. For the years ended June 30, 2016 and 2015, there were no interest or penalties recorded or included in its financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax years in progress.

2. Concentration of Credit Risk

The Foundation occasionally maintains deposits in excess of federally insured limits. FASB ASC 825, "*Financial Instruments*," identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured cash balances at June 30, 2016.

3. Fair Value Measurements

FASB ASC 820-10 and subsections, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2      Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. As of June 30, 2016 and 2015, all investments are assessed at level 1.

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

3. Fair Value Measurements (Continued)

The following table sets forth the Foundation's assets at fair value as of June 30, 2016 and 2015:

<u>June 30, 2016</u>	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	<u>Total</u>
Mutual Funds:		
Bond Funds	\$ 2,847,666	\$ 2,847,666
Mid-Cap Growth	878,611	878,611
Small Cap	238,551	238,551
Large Blend	3,212,739	3,212,739
Other	<u>414,461</u>	<u>414,461</u>
Total	<u>\$ 7,592,028</u>	<u>\$ 7,592,028</u>

<u>June 30, 2015</u>	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	<u>Total</u>
Mutual Funds:		
Bond Funds	\$ 2,936,476	\$ 2,936,476
Mid-Cap Growth	932,281	932,281
Small Cap	270,943	270,943
Large Blend	2,216,131	2,216,131
World Stock	926,659	926,659
Other	<u>383,708</u>	<u>383,708</u>
Total	<u>\$ 7,666,198</u>	<u>\$ 7,666,198</u>

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2016  
 (With Comparative Totals as of June 30, 2015)

4. Investments

Investments are reported at fair market values based on quotation from national securities exchanges or brokerage firms.

The fair value of investments at June 30, 2016 and 2015 is comprised of the following:

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Mutual Funds	\$ 7,592,028	\$ 7,127,604	\$ 7,666,198	\$ 6,974,076

The Foundation realized losses of \$(24,323) and gains of \$11,062 from the sale of investments for the years ended June 30, 2016 and 2015, respectively. For purposes of determining the gain or loss on a sale, the cost of the investment is based on the average cost of all shares of each such investment fund at the date of the sale. Unrealized losses related to investments was \$(230,145) and \$(202,634) for the years ended June 30, 2016 and 2015, respectively. Investment fees for the years ended June 30, 2016 and 2015 were \$33,734 and \$34,176, respectively.

5. Perpetual Trust and Charitable Remainder Unitrust

On January 2, 2000, the donor of a charitable remainder unitrust passed away and the unitrust has been recognized as a perpetual trust for the Foundation. The fair value of the trust at June 30, 2016 and 2015 was \$101,866 and \$107,810, respectively. Distributions received from the trust for the period ended June 30, 2016 and 2015 totaled \$1,373 and \$4,182, respectively.

On March 26, 1997, the Foundation became a 50% beneficiary in an irrevocable charitable remainder unitrust. A bank is the trustee of the funds. Upon the death of the last surviving non-charitable income beneficiary, the trust shall distribute 50% of the principal and income of the trust to the Foundation. The Foundation has recognized \$80,675 and \$84,807 as its present value interest in the trust as of June 30, 2016 and 2015, respectively. The present value of the future cash flows is based on applicable federal rates as well as life expectancy tables to value the unitrust.

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

6. Board Designated Funds

The Foundation designated the following contributions and pledges to provide annual awards to teachers, staff, college presidents, and instructors in training. Investment earnings will be used to fund the awards on an annual basis.

The following contributions and pledges have been classified as board designated net assets as of June 30, 2016 and 2015 are included in the unrestricted net asset total:

	<u>2016</u>	<u>2015</u>
RJR Tobacco Excellence in Teaching Award	\$ 296,436	\$ 296,436
50 <sup>th</sup> Anniversary	250,000	250,000
Wells Fargo N.C. Community College President of the Year Award	249,714	249,714
BB&T N.C. Community College System Staff Award	247,655	247,655
Bank of America Award for Teacher Training in North Carolina	101,714	101,714
Blue Cross Blue Shield of North Carolina	100,000	100,000
Rex Healthcare	100,000	100,000
UNC Hospitals	100,000	100,000
Wake Medical Center	100,000	100,000
ACS	50,000	50,000
Craven Regional Medical Center	30,000	30,000
Mayview Convalescent Home	<u>10,000</u>	<u>10,000</u>
	1,635,519	1,635,519
Less: Expended through June 30	<u>(609,123)</u>	<u>(563,203)</u>
	<u>\$ 1,026,396</u>	<u>\$ 1,072,316</u>

7. Restricted Net Assets

Temporarily restricted net assets are as follows at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Teacher Prep Programs	\$ 1,813,196	\$ 1,820,696
Dallas Herring Leadership	151,318	151,318
50 <sup>th</sup> Anniversary Programs	124,510	124,510
Charitable Remainder Unitrust	80,675	84,807
Technology Training	35,000	35,000
Biotech Initiatives	11,063	11,063
IIANC	<u>500</u>	<u>          </u>
	<u>\$ 2,216,262</u>	<u>\$ 2,227,394</u>

For the years ended June 30, 2016 and 2015, \$423,757 and \$42,500, respectively, was released from net assets from donor restrictions by incurring expenses and holding events satisfying the purpose or time restrictions specified by the donors.

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2016  
 (With Comparative Totals as of June 30, 2015)

7. Restricted Net Assets (Continued)

Permanently restricted net assets are as follows at June 30, 2016 and 2015:

	2016	2015
Perpetual Trust	\$ 101,866	\$ 107,810

8. Donated Facilities, Services and Materials

The Foundation received administrative support from the North Carolina Community College System Office through contributions of staff time, office space, equipment, supplies and services in accordance with North Carolina General Statute 115D-7. The estimated value of staff time was \$16,570 and \$12,898 for the years ended June 30, 2016 and 2015, respectively. Office space, equipment and supplies were not valued because no objective basis was available.

9. Prior Year Information

The statements of activities and changes in net assets, and functional expenses include certain prior-year summarized comparative information in total but not by net asset class and functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

10. Due to Related Party

On December 15, 2015, the Foundation entered into a three-year agreement with the John M. Belk Endowment (the "Endowment") whereby the Foundation will receive contributions of \$400,000 for the purpose of creating the North Carolina Student Success Center. The Foundation subsequently entered into a memorandum of understanding with the North Carolina Community College System ("NCCCS"), whereby the Foundation will remit the contributions from the Endowment to NCCCS, and NCCCS will establish the Student Success Center. As of June 30, 2016, the Foundation had \$50,000 which had been received from the Endowment, but not yet disbursed. The entire amount of the grant is shown as a Due to Related Party.

Expected receipt of the remaining funds are:

Year Ending June 30	Amount
2017	\$ 100,000
2018	250,000
	\$ 350,000

**THE NORTH CAROLINA COMMUNITY COLLEGES FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)

11. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 7, 2017, which is the date the financial statements were available to be issued. No significant items were identified by management.