

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
GLENWOOD SPRINGS, COLORADO

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

For the Years Ended June 30, 2015 and 2014



**COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
GLENWOOD SPRINGS, COLORADO**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

For the Years Ended June 30, 2015 and 2014

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
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**HAYS
MAGGARD
& HOOD, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Colorado Mountain College Foundation, Inc.
Glenwood Springs, CO 81601

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Colorado Mountain College Foundation, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2015 and 2014, 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.

Auditor's 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 of 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 risk 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 Colorado Mountain College Foundation, Inc. at June 30, 2015 and 2014, 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Comparative Schedules of Expenses on page 14 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.

A handwritten signature in cursive script that reads "Hays, Maggard & Hood, P.C.".

HAYS, MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

ASSETS	2015	2014
CURRENT ASSETS:		
Cash and Cash Equivalents:		
Unrestricted	\$ 207,604	\$ 195,317
Temporarily Restricted	<u>1,013,354</u>	<u>739,397</u>
	<u>1,220,958</u>	<u>934,714</u>
Other Current Assets:		
Other Receivables - Unrestricted	9,769	4,182
Other Receivables - Temporarily Restricted	46,054	164,054
Other Receivables - Restricted for Permanent Endowment	221	17
Prepaid Expenses	4,694	-
Advances of Unearned Grants to Colorado Mountain College	-	297,073
Unconditional Promises to Give, Net:		
Unrestricted	17,848	16,712
Temporarily Restricted	266,088	279,095
Restricted for Permanent Endowment	<u>49,984</u>	<u>79,373</u>
	<u>394,658</u>	<u>840,506</u>
TOTAL CURRENT ASSETS	<u>1,615,616</u>	<u>1,775,220</u>
NON-CURRENT ASSETS:		
Other Non-Current Assets:		
Cash Surrender Value of Life Insurance	34,524	34,662
Long-Term Unconditional Promises to Give, Net:		
Unrestricted	44,908	21,270
Temporarily Restricted	858,811	410,107
Restricted for Permanent Endowment	13,405	38,213
Long-Term Investments:		
Unrestricted	155,680	138,040
Temporarily Restricted	4,284,046	4,355,587
Restricted for Permanent Endowment	<u>7,992,886</u>	<u>7,924,548</u>
TOTAL NON-CURRENT ASSETS	<u>13,384,260</u>	<u>12,922,427</u>
TOTAL ASSETS	<u>\$ 14,999,876</u>	<u>\$ 14,697,647</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 44,038	\$ 37,376
Other Current Liabilities	66,993	54,796
Gift Annuity Payable - Current Portion	1,591	1,591
Unearned Grant Revenues	-	297,073
Land Acquisition Obligation - Current Portion	<u>40,000</u>	<u>40,000</u>
TOTAL CURRENT LIABILITIES	152,551	430,836
NON-CURRENT LIABILITIES:		
Long-Term Gift Annuity Payable	3,929	4,232
Long-Term Land Acquisition Obligation	<u>-</u>	<u>40,000</u>
TOTAL LIABILITIES	<u>156,551</u>	<u>475,068</u>
NET ASSETS:		
Unrestricted	469,320	408,730
Temporarily Restricted	6,317,508	5,771,698
Permanently Restricted	<u>8,056,497</u>	<u>8,042,151</u>
TOTAL NET ASSETS	<u>14,843,325</u>	<u>14,222,579</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,999,876</u>	<u>\$ 14,697,647</u>

The accompanying notes are an integral part of these financial statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2015 and 2014

	2015	2014
UNRESTRICTED NET ASSETS		
Unrestricted Revenues and Gains:		
Contributions	\$ 51,579	\$ 11,984
Uncollectible Pledges	(1,062)	(23,250)
In-Kind Contributions:		
From Colorado Mountain College	936,260	864,063
Other In-Kind Contributions	28,967	28,595
Administrative Fee Income	25,120	16,178
Interest and Dividends	1,960	4,256
Realized Gain (Loss) on Investments	(156)	(183)
Unrealized Gain (Loss) on Investments	17,640	26,040
Less Investment Fees	(1)	(1)
Total Unrestricted Revenues and Gains	1,060,307	927,682
Net Assets Released from Restrictions	1,362,066	1,580,154
Total Unrestricted Revenues, Gains, and Other Support	2,422,373	2,507,836
Expenses:		
Scholarships	691,736	695,789
Distributions to or for the Benefit of Colorado Mountain College	601,950	883,868
In-Kind Distributions to Colorado Mountain College	28,967	28,595
General and Administrative	1,039,130	906,449
Total Expenses	2,361,783	2,514,701
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	60,590	(6,865)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	1,928,876	1,144,412
Uncollectible Pledges	(20,187)	(441,750)
Contributions of Real Property	-	-
Interest and Dividends	375,586	384,179
Realized Gain (Loss) on Investments	260,053	385,548
Unrealized Gain (Loss) on Investments	(552,854)	659,839
Less Investment Fees	(83,130)	(78,471)
Change in Value of Charitable Gift Annuity	(492)	(1,278)
Net Assets Released from Restrictions	(1,362,042)	(1,526,054)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	545,810	526,425
PERMANENTLY RESTRICTED NET ASSETS		
Endowment Fund Contributions	26,501	36,838
Unrealized Gain (Loss) on Investments	(12,131)	9,545
Net Assets Released from Restrictions	(24)	(54,100)
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	14,346	(7,717)
TOTAL INCREASE (DECREASE) IN NET ASSETS	620,746	511,843
NET ASSETS - BEGINNING OF YEAR	14,222,579	13,710,736
NET ASSETS - END OF YEAR	\$ 14,843,325	\$ 14,222,579

The accompanying notes are an integral part of these financial statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES		
Change in Net Assets	\$ 620,746	\$ 511,843
<i>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</i>		
Unrealized (Gain) Loss on Investments	547,343	(695,424)
<i>(Increase) Decrease in Assets:</i>		
Grant Reimbursement Receivable	-	-
Net Unconditional Promises to Give	(406,275)	1,001,918
Other Receivables	112,209	(54,838)
Prepaid Expenses	(4,693)	-
Advances to Colorado Mountain College	297,703	(44,726)
Cash Surrender Value of Life Insurance	138	185
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable	6,663	(7,632)
Other Current Liabilities	52,197	8,365
Gift Annuity Payable	(303)	(314)
Unearned Grant Revenues	(297,703)	44,726
Contributions Restricted for Permanent Endowment	(13,493)	(46,383)
Donor (Imposition of) Permanent Restrictions, Net	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	914,532	717,720
INVESTING ACTIVITIES		
Proceeds from Sales of Investments	84,878	79,572
Purchases of Investments	(646,659)	(780,162)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(561,781)	(700,590)
FINANCING ACTIVITIES		
Contributions Restricted for Permanent Endowment	13,493	46,383
Proceeds from Long-term Obligations	-	-
Repayment of Long-term Obligations	(80,000)	-
Donor Imposition of Permanent Restrictions, Net	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(66,507)	46,383
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	286,244	63,513
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	934,714	871,201
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,220,958	\$ 934,714

The accompanying notes are an integral part of these financial statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Colorado Mountain College Foundation, Inc. ("Foundation") is a non-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code ("Code") and incorporated under Article 40, Title 7 of the Colorado Revised Statutes of 1973. The Foundation adopted, amended, and restated Articles of Incorporation May 23, 2006. The Foundation was established to promote the welfare, development, growth, and being of Colorado Mountain Junior College District ("College") and also to permit the Foundation to engage in such activities as may be beyond the scope of the College. In addition, the Foundation is concerned with and involved in the affairs of the community.

The voting members of the Foundation Board of Directors include a group of concerned volunteers who are interested in the College. They are a separate and distinct group from the College's elected Board of Trustees. For coordination purposes, the College President is also on the Foundation Board of Directors as a non-voting member.

The Colorado Mountain College Foundation establishes trust funds set up by interested donors to provide fiscal support for noteworthy projects and programs. Monies that accrue from these funds are used to assist students, faculty programs, program development, cultural activities, and other college-related general programs. Some funds are specific in nature and are restricted for use by a specific program or goal; other funds are more general, or unrestricted, the use of which is left to the discretion of the Foundation or College Officers. Options available to potential benefactors include such methods as permanent memorial funds, endowments, and the sponsoring of scholarships.

BASIS OF ACCOUNTING AND PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") in FASB Codification Section 958, *Not-for-Profit Entities*. Under FASB Codification Section 958, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, 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 stipulations.

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

Permanently Restricted net Assets - Net assets that are subject to donor-imposed stipulations requiring 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 any related investments for general or specific purposes.

(continued)

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers all cash and other highly liquid investments available for current use with initial maturities of three months or less to be cash equivalents.

ACCOUNTS / PLEDGES RECEIVABLE

The Foundation considers all receivables to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary. After reasonable collection efforts are made by management, the direct write-off method is used to recognize bad debt expense on uncollectible accounts. During fiscal year 2015 and 2014 bad debts were written off in the amount of \$21,250 and \$465,000, respectively.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives, if capitalized.

The Foundation's policy as to the acceptance of real or personal property is as follows:

Property, both real and personal, shall be examined by appropriate personnel (College or otherwise) to determine usefulness and appropriateness.

If determined useful and appropriate, the Foundation will accept such donations provided an understanding and agreement is reached concerning disposition of such items. Such disposition could include but is not limited to the following:

- a. Donation to the College as real or personal property for use by or for the faculty, student body, and/or administration.
- b. Retention by the Foundation for appreciation in value with the express intent of resale for cash. Income from the resale shall be designated "Unrestricted" unless otherwise agreed upon in writing by the donor and Foundation representative.
- c. Real or personal property shall be accepted with the understanding that such property shall be used in conjunction with other fundraising activities of the Foundation and that such donations shall not be retained, but shall be sold with the income to accrue to the Foundation, as appropriate.

CONTRIBUTIONS

Contributions, including unconditional promises to give, are recorded when made by the donor. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. Accordingly, actual results could differ from those estimates.

INCOME TAXES

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes. In addition, the Foundation has been determined by the Internal Revenue Service to be an "exempt private foundation" within the meaning of Section 509(a) of the Code and is subject to excise taxes. The Foundation has no excise tax or unrelated business income.

2. INVESTMENTS

ENDOWMENT POLICY

The Foundation's endowment consists of several funds established for scholarships and other purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the corpus of the original gift absent explicit donor stipulations to the contrary. The expendable investment income from the corpus, which includes interest, dividends, realized and unrealized gains net of administrative fees, is included in temporarily restricted net assets and is reported as net assets released from restrictions as the funds are spent. The Foundation is committed to preserving the corpus of the endowment funds.

INVESTMENT POLICY

The Foundation has an investment policy allowing trust advisors to purchase corporate equities, bonds, and mutual funds at the direction of the Foundation investment committee. The Foundation investment committee has established a target investment allocation for long-term investments of 50% fixed and 50% equities with a variance tolerance of 10%; the committee periodically monitors the investments for performance and investment decisions. Any new funds to be invested are typically invested all at once. In the interest of diversification, the Foundation retains the services of two investment advisors: Alpine Trust & Asset Management, a related party, and JP Morgan.

SPENDING POLICY

The Foundation's spending policy is to only spend earnings and not invade corpus of permanently restricted funds.

(continued)

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

2. **INVESTMENTS** *(continued)*

Long-term investments as of June 30, 2015, are summarized as follows:

	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>
Unrestricted:			
Money Market Funds/Uninvested Cash	\$ -	\$ -	\$ -
Fixed Income Funds/Corporate Bonds	-	-	-
Equity Funds/Corporate Stock	30,000	155,680	155,680
Temporarily Restricted:			
Money Market Funds/Uninvested Cash	40,251	40,251	40,251
Fixed Income Funds/Corporate Bonds	1,721,727	1,700,752	1,700,752
Equity Funds/Corporate Stock	2,133,012	2,543,043	2,543,043
Permanently Restricted:			
Money Market Funds/Uninvested Cash	93,710	93,710	93,710
Fixed Income Funds/Corporate Bonds	3,228,692	3,183,995	3,183,995
Equity Funds/Corporate Stock	3,997,244	4,715,181	4,715,181

Long-term investments as of June 30, 2014, are summarized as follows:

	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>
Unrestricted:			
Money Market Funds/Uninvested Cash	\$ -	\$ -	\$ -
Fixed Income Funds/Corporate Bonds	-	-	-
Equity Funds/Corporate Stock	30,000	138,040	138,040
Temporarily Restricted:			
Money Market Funds/Uninvested Cash	33,776	33,776	33,776
Fixed Income Funds/Corporate Bonds	1,786,313	1,854,590	1,854,590
Equity Funds/Corporate Stock	1,936,238	2,467,222	2,467,222
Permanently Restricted:			
Money Market Funds/Uninvested Cash	75,808	75,808	75,808
Fixed Income Funds/Corporate Bonds	3,304,345	3,410,202	3,410,202
Equity Funds/Corporate Stock	3,515,581	4,438,539	4,438,539

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

3. PROMISES TO GIVE

Unconditional promises to give at June 30 are as follows:

	<u>2015</u>	<u>2014</u>
Receivable in Less than One Year:		
Unrestricted	\$ 17,848	\$ 16,712
Temporarily Restricted	266,088	279,095
Permanently Restricted	<u>49,984</u>	<u>79,373</u>
Total Receivable in Less than One Year	<u>333,920</u>	<u>375,180</u>
Receivable in One to Five Years:		
Unrestricted	32,033	21,523
Temporarily Restricted	614,808	414,669
Permanently Restricted	<u>14,075</u>	<u>40,412</u>
Total Receivable in One to Five Years	<u>660,916</u>	<u>476,604</u>
Receivable Thereafter:		
Unrestricted	20,000	1,407
Temporarily Restricted	380,000	26,741
Permanently Restricted	<u>-</u>	<u>-</u>
Total Receivable Thereafter	<u>400,000</u>	<u>28,148</u>
Total Gross Unconditional Promises to Give	1,394,836	879,932
Less Discounts to Net Present Value	<u>(143,791)</u>	<u>(35,162)</u>
Total Unconditional Promises to Give	1,251,045	844,770
Less Allowance for Uncollectible Promises	<u>-</u>	<u>-</u>
Net Unconditional Promises to Give	<u>\$ 1,251,045</u>	<u>\$ 844,770</u>

The discount rate used on long-term unconditional promises to give is 4%.

4. CONCENTRATION OF CREDIT RISK

The Foundation maintains general checking and money market accounts at two financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). FDIC provides coverage of up to \$250,000 available to depositors under the FDIC's general deposit insurance rules. Total bank balances at June 30, 2015 exceeded FDIC limits by \$723,633. The difference between the cash and cash equivalents carrying value of \$1,220,958 and bank balances of \$1,222,479 consists of petty cash of \$150 and outstanding items as of June 30, 2015.

Credit risk for promises to give is concentrated as substantially all of the balances are receivable from a small number of organizations or individuals.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

5. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Foundation has adopted the provisions of FASB ASC 820-10 Fair Value Measurements for financial and non-financial assets and liabilities measured at fair value on a recurring basis. The Foundation's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and investments. Management estimates that the fair value of all financial instruments at June 30, 2015 and 2014 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents approximate fair values because of short maturities of those instruments.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1: Inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities;

Level 2 - inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded or other external independent means;

Level 3 - inputs are unobservable and reflect assumptions on the part of the reporting entity.

The following table sets forth information about the level with the fair value hierarchy at which the Foundation's financial assets and liabilities are measured on a recurring basis at June 30, 2015 and June 30, 2014. The Foundation had no assets measured at fair value on a non-recurring basis of the dates presented.

JUNE 30, 2015				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Money market funds	\$ 133,961	\$ -	\$ -	\$ 133,961
Trading securities	<u>12,298,651</u>	<u>-</u>	<u>-</u>	<u>12,298,651</u>
Total – recurring basis	<u>\$ 12,432,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,432,612</u>
JUNE 30, 2014				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Money market funds	\$ 109,584	\$ -	\$ -	\$ 109,584
Trading securities	<u>12,208,593</u>	<u>-</u>	<u>-</u>	<u>12,308,593</u>
Total – recurring basis	<u>\$12,418,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,418,177</u>

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

6. DONATED SECURITIES

The Foundation occasionally receives donated securities which are immediately sold per Foundation policy to avoid significant investment risks and rewards through near immediate conversion into cash. Cash receipts from the sale of such securities are classified as operating cash flows; however, if the donor restricted the use of the gift to a long-term purpose of acquiring, constructing or improving property, plant and equipment or other long-lived assets or establishing or increasing a permanent or term endowment, then the cash receipt is classified as a financing activity per the statement of cash flows.

During the fiscal year ended June 30, 2015, the Foundation received contributed securities with a total market value of \$46,334 which were sold for \$45,649; after brokerage fees, the Foundation received cash proceeds of \$45,607. None of the contributions were restricted to a long-term purpose as defined above and are therefore included in the Change of Net Assets of \$620,746 per the Statement of Cash Flows for the year ended June 30, 2015.

During the fiscal year ended June 30, 2014, the Foundation received contributed securities with a total market value of \$28,274 which were sold for \$28,355; after brokerage fees, the Foundation received cash proceeds of \$28,335. None of the contributions were restricted to a long-term purpose as defined above and are therefore included in the Change of Net Assets of \$511,843 per the Statement of Cash Flows for the year ended June 30, 2014.

7. RELATED PARTIES

The Foundation has entered into a Cooperation and Services Agreement with Colorado Mountain Junior College District ("College"). Subject to annual approval and appropriation, the College provides funding for Foundation staff salaries and benefits and other administrative, fundraising, and consulting expenses. For the years ended June 30, 2015 and 2014, the Foundation received \$936,260 and \$864,063, respectively, which was recorded as in-kind contribution revenue. At June 30, 2015, the Foundation had receivables of \$7,460 due from the College, and liabilities of \$37,673 reflected in Accounts Payable due to the College. At June 30, 2014, the Foundation had receivables of \$100,990 due from the College, and liabilities of \$30,922 reflected in Accounts Payable due to the College for scholarship and other program payments.

In fiscal year 2014 and 2013 the Foundation advanced \$300,888 and \$258,388 to the Colorado Mountain College that had been received from the Colorado Health Foundation for development of a Bachelor of Science in Nursing degree. As of June 30, 2015 all funds have been earned and expended.

The Foundation maintains deposits at Alpine Bank and various investments with Alpine Trust & Asset Management. One member of the Foundation's Board of Directors is also the president of a branch office of Alpine Bank; this Board member, however, is not involved in any investment decisions on behalf of the Foundation and is excused from all Board matters involving Alpine Bank or Alpine Trust & Asset Management.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

8. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the Foundation to provide scholarships to the students of the Colorado Mountain Junior College District, support the faculty and leaders of the College, fund College facilities' construction and maintenance, and support various academic and community programs.

Permanently restricted net assets are comprised of sixty-one endowment funds restricted in perpetuity to provide for scholarships for the students of the College, and two funds restricted in perpetuity to provide maintenance for College facilities. Income generated by these assets is to be used for scholarships or maintenance expenses as the endowment agreements stipulate and cannot be used for operating expenses.

9. PASS-THROUGH CONTRIBUTIONS

The Foundation occasionally receives contributions for programs which benefit the Colorado Mountain Junior College District but for which the Foundation has no variance power; such amounts are not recognized as contributions or distributions in the financial statements in accordance with FASB Codification Section 958-605, *Transfers of Assets to a Non-Profit Organization that Raises or Holds Contributions for Others*.

10. LIFE INSURANCE POLICY

The Foundation owns and is the beneficiary of a life insurance policy on a donor's spouse the purchase of which was directed and indirectly funded by the donor. The policy has a face value of \$181,734 and a cash surrender value of \$34,524 at June 30, 2015.

11. IN-KIND CONTRIBUTIONS

In addition to the in-kind contributions discussed in Note 7, the Foundation received an additional \$28,967 and \$28,595 of in-kind contributions in fiscal years 2015 and 2014, respectively. Such contributions, which include amounts for campus improvements, campus equipment, and other services and supplies, are directly distributed to the Colorado Mountain Junior College District during the year.

12. CAMPUS DISBURSEMENTS

The Foundation's expenses include campus disbursements totaling \$601,950 and \$883,868 in fiscal years 2015 and 2014 for building construction and special projects and programs for the Colorado Mountain Junior College District.

13. LAND ACQUISITION, CHARITABLE CONTRIBUTION, AND LONG-TERM OBLIGATION

The Foundation received Land with a total value of \$2,230,000 during fiscal year 2013. The Foundation received \$1,730,000 as a charitable contribution with the remaining \$500,000 purchase price paid as follows:

Amount Paid at Closing	\$380,000	
Amount Paid July 1, 2013	\$ 40,000	
Amount Paid September 26, 2014	\$ 40,000	<i>0% Interest; Due July 1, 2014</i>
Long-term Obligation - Current	\$ 40,000	<i>0% Interest; Due July 1, 2015</i>

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

14. COMPONENT UNIT OF COLORADO MOUNTAIN JUNIOR COLLEGE DISTRICT

In accordance with Governmental Accounting Standards Board Statement No. 39, the Colorado Mountain Junior College District ("College") has identified the Foundation as a component unit. In accordance with the standard, the Foundation is presented in the College's financial statements as a discretely presented component unit. The financial statements of the College may be obtained by contacting the College's office in Glenwood Springs, Colorado.

15. CHARITABLE GIFT ANNUITY

On February 15, 2000, December 28, 2000, and December 21, 2001, the Foundation entered into a split interest agreement, for a total of three agreements, with a donor in which the Foundation received a donation of equity securities and, in exchange, promised to pay a total fixed amount of \$1,591 each year for the life of the donor and the life of his spouse. The donated securities were valued at the quoted market price on the date of the gift and are included as a long-term investment on the statement of financial position. The Foundation's liability as shown on the statement of financial position was calculated by discounting the future cash flows using rates obtained from the Internal Revenue Code mortality tables and the applicable federal rate. The difference between the value of the securities and the Foundation's liability represents the charitable contribution and was included as a contribution on the statement of activities in the appropriate fiscal year. The change in value of the gift annuity as shown on the statement of activities represents the amortization of the discount and change in the life expectancy of the donor's spouse subsequent to the donor's death in 2007.

16. SUBSEQUENT EVENTS

In accordance with SFAS No. 165, *Subsequent Events*, the management of Colorado Mountain College Foundation, Inc. has evaluated events subsequent to June 30, 2015 through the issuance date of this report. There has been no material event noted during this period that would impact the results reflected in this report or the Foundation's results going forward.

SUPPLEMENTAL INFORMATION

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
COMPARATIVE SCHEDULE OF EXPENSES
For the Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
SCHOLARSHIPS AND OTHER DISTRIBUTIONS		
Scholarships	\$ 691,736	\$ 695,789
Campus Disbursements	601,950	883,868
Campus Disbursements - Land	-	-
In-Kind Distributions to Colorado Mountain College	<u>28,967</u>	<u>28,595</u>
TOTAL SCHOLARSHIPS AND OTHER DISTRIBUTIONS	<u>1,322,653</u>	<u>1,608,252</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Staff - Salaries	462,501	323,672
Staff - Benefits and Payroll Taxes	185,479	139,314
Consulting*	186,816	198,571
Campaign Donor Recognition	391	25,468
Donor Cultivation, Graduates and Guests	42,279	41,985
Travel and Meetings	33,053	37,631
Promotional Materials	22,596	16,935
Technology	23,334	25,108
Office and General Expenses	51,793	77,160
Professional Fees	11,172	11,242
Dues and Subscriptions	1,954	1,486
Bank Charges	1,400	1,611
Board and Staff Development	8,552	5,266
Charitable Contributions	<u>7,810</u>	<u>1,000</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>1,039,130</u>	<u>906,449</u>
TOTAL EXPENSES	<u>\$ 2,361,783</u>	<u>\$ 2,514,701</u>

* *The Colorado Mountain College Foundation, Inc. contracts with consultants having fundraising expertise in specific geographic areas and/or specific industries to assist with fundraising activities through campaign feasibility studies, campaign design, potential donor identification, donor cultivation, and other assignments as deemed appropriate.*

As discussed in Note 7 of the accompanying Financial Statements, the Foundation has entered into a Cooperation and Services Agreement with Colorado Mountain Junior College District under which, subject to annual approval and appropriation, the College provides funding for Foundation staff salaries and benefits and other administrative, fundraising and consulting expenses. For the years ended June 30, 2015 and 2014, the Foundation received \$936,260. and \$864,063, respectively, which has been recorded as in-kind contribution revenue and is included in the above general and administrative expenses of the Colorado Mountain College Foundation, Inc.

The accompanying notes are an integral part of these financial statements.