

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
June 30, 2021 and 2020

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
FINANCIAL STATEMENTS
Years Ended June 30, 2021 and 2021

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DENNIS, GARTLAND & NIERGARTH
Business Advisors Since 1973

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September 30, 2021

Report of Independent Certified Public Accountants

Board of Directors
 North Central Michigan College Foundation
 Petoskey, Michigan

We have audited the accompanying financial statements of North Central Michigan College Foundation (the "Foundation") (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.



Board of Directors
North Central Michigan College Foundation

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 North Central Michigan College Foundation as of June 30, 2021 and 2020, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in endowed scholarships payable for the year ended June 30, 2021, is presented on page 16, for purposes of additional analysis and is 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.

Dennis, Gartland & Niergarth

Certified Public Accountants
Traverse City, Michigan

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30,

<u>Assets</u>	2021	2020
Cash and cash equivalents	\$ 421,719	\$ 1,775,436
Investments, at fair value (Note 2)	9,845,500	7,566,923
Accounts receivable	-	-
Bequests receivable (Note 3)	-	153,011
Pledges receivable, net (Note 4)	1,573,632	1,176,474
Total assets	\$ 11,840,851	\$ 10,671,844
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ 1,523	\$ -
Endowed scholarships payable (Note 5)	5,293,034	4,404,152
Total liabilities	5,294,557	4,404,152
Net assets:		
Without donor restrictions:		
Undesignated	2,404,444	1,991,104
Board designated - Building Tomorrow Together	-	979,002
With donor restrictions:		
Purpose restricted (Note 6)	2,527,841	2,296,435
Purpose restricted - quasi-endowment (Note 6 & 7)	936,447	856,151
Perpetual in nature (Note 7)	677,562	145,000
Total net assets	6,546,294	6,267,692
Total liabilities and net assets	\$ 11,840,851	\$ 10,671,844

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

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
For the Years Ended June 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 292,211	\$ 2,765,129	\$ 3,057,340	\$ 254,368	\$ 583,733	\$ 838,101
Investment income, net of fees	631,196	167,671	798,867	93,304	19,620	112,924
Net assets released from restrictions	<u>2,088,536</u>	<u>(2,088,536)</u>	<u>-</u>	<u>380,369</u>	<u>(380,369)</u>	<u>-</u>
Total support and revenue	<u>3,011,943</u>	<u>844,264</u>	<u>3,856,207</u>	<u>728,041</u>	<u>222,984</u>	<u>951,025</u>
Expenses:						
Grants	3,074,552	-	3,074,552	381,075	-	381,075
General and administrative	370,249	-	370,249	200,294	-	200,294
Fundraising	<u>132,804</u>	<u>-</u>	<u>132,804</u>	<u>165,489</u>	<u>-</u>	<u>165,489</u>
Total expenses	<u>3,577,605</u>	<u>-</u>	<u>3,577,605</u>	<u>746,858</u>	<u>-</u>	<u>746,858</u>
Increase (decrease) in net assets	(565,662)	844,264	278,602	(18,817)	222,984	204,167
Net assets at beginning of year	<u>2,970,106</u>	<u>3,297,586</u>	<u>6,267,692</u>	<u>2,988,923</u>	<u>3,074,602</u>	<u>6,063,525</u>
Net assets at end of year	<u>\$ 2,404,444</u>	<u>\$ 4,141,850</u>	<u>\$ 6,546,294</u>	<u>\$ 2,970,106</u>	<u>\$ 3,297,586</u>	<u>\$ 6,267,692</u>

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

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

	2021	2020
Cash flows from operating activities:		
Cash received from contributors	\$ 2,144,315	\$ 858,664
Interest and dividends received, net of fees	65,779	96,481
Net change in cash held for endowed scholarships	(25,455)	(120,574)
Cash paid to College for grants and other expenses	(3,427,514)	(546,002)
Cash paid to other suppliers for grants and other expenses	(12,279)	(103,646)
Net cash flows from operating activities	(1,255,154)	184,923
Cash flows from investing activities:		
Purchase of investment securities	(2,852,789)	(388,200)
Proceeds from redemption of investments	2,221,637	1,356,651
Net cash flows from investing activities	(631,152)	968,451
Cash flows from financing activities:		
Cash donations restricted for endowments	532,589	-
Net change in cash and cash equivalents	(1,353,717)	1,153,374
Cash and cash equivalents at beginning of year	1,775,436	622,062
Cash and cash equivalents at end of year	\$ 421,719	\$ 1,775,436
Reconciliation of changes in net assets to net cash flows from operating activities:		
Increase (decrease) in net assets	\$ 278,602	\$ 204,167
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net unrealized losses (gains) on investments	(610,142)	16,797
Net realized losses (gains) on investments	(122,946)	(33,240)
Decrease (increase) in accounts receivable	-	2,925
Decrease (increase) in bequest receivable	153,011	45,389
Decrease (increase) in pledges receivable	(397,158)	83,411
Increase (decrease) in accounts payable	1,523	(13,952)
Net change in cash held for endowed scholarships	(25,455)	(120,574)
Contributions restricted for Outreach endowment	(532,589)	-
Net cash flows from operating activities	\$ (1,255,154)	\$ 184,923

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

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Central Michigan College Foundation is a Michigan nonprofit Corporation organized on a nonstock membership basis. North Central Michigan College (the "College") is the only member of this Corporation. The purpose of the Foundation is to provide support for the objectives and purposes of North Central Michigan College.

Basis of Presentation: The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. 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:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions: Contributions, including unconditional promises to give, are recorded as made. 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.

Collections: The Foundation has not adopted a policy of capitalizing collections. Consequently, contributed collections are not reflected on the financial statements. The Foundation did participate in receipt of donations of several sculptures to the College in the past.

Investments: Investments are composed of mutual funds invested in debt and equity securities, U.S. Treasury Notes and other bonds and notes and are carried at fair value.

Federal Income Taxes: North Central Michigan College Foundation is exempt from federal income taxes under code section 501(c)(3). The organization is not classified as a private foundation. No provision for income taxes has been provided in these financial statements.

Cash Equivalents: For purposes of the statement of cash flows, the Foundation considers all cash, certificates of deposit and money market investments to be cash equivalents. \$196,560 of the \$421,719 cash balance was held in money market mutual funds at June 30, 2021 and \$1,676,787 of the \$1,775,436 cash balance was held in money market mutual funds at June 30, 2020.

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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value of Financial Instruments: Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Foundation's significant financial instruments are cash, accounts receivable, marketable equity securities, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Generally, for all securities, loans, hybrid financial instruments, private equity investments, and long-term debt, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. When the fair value of assets and liabilities cannot be determined in this matter, fair value is estimated using the present value of expected cash flows.

NOTE 2: INVESTMENTS

Investments are stated at fair value based on quoted prices in active markets (all Level 1 measurements), and are summarized as follows as of June 30:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Marketable debt funds	\$ 3,431,962	\$ 3,563,903	\$ 2,418,096	\$ 2,556,436
Marketable equity funds	3,599,287	5,520,275	3,436,829	4,082,840
Commodities fund	175,145	242,988	175,145	175,403
Marketable real estate investments	334,528	376,329	234,395	212,832
Marketable alternative strategies	130,626	142,005	569,412	539,412
	<u>\$ 7,671,548</u>	<u>\$ 9,845,500</u>	<u>\$ 6,833,877</u>	<u>\$ 7,566,923</u>

Investment return on these investments consisted of the following as of June 30:

	2021	2020
Interest and dividends	\$ 80,285	\$ 119,520
Realized gains	122,946	33,240
Unrealized gains (losses)	610,142	(16,797)
Less investment fees	(14,506)	(23,039)
Net investment return	<u>\$ 798,867</u>	<u>\$ 112,924</u>

NOTE 3: BEQUESTS RECEIVABLE

A bequest receivable as of June 30, 2020 of \$153,011 was collected during the year ended June 30, 2021. This bequest was restricted to provide nursing scholarships.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 4: PLEDGES RECEIVABLE

The pledges receivable consist of pledges for the Building Tomorrow Together campaign and for providing nursing scholarships. They have been discounted at a 3.25% annual rate of interest for the years ended June 30, 2021 and 2020. Pledges receivable at June 30, represent unconditional promises to give as follows:

	<u>2021</u>	<u>2020</u>
Unconditional promise to give	\$ 1,685,274	\$ 1,229,500
Less unamortized discount	<u>(111,642)</u>	<u>(53,026)</u>
Net pledges receivable	<u>\$ 1,573,632</u>	<u>\$ 1,176,474</u>

The pledges receivable as of June 30, are due as follows:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 752,174	\$ 384,167
One to five years	<u>933,100</u>	<u>845,333</u>
Total pledges receivable	<u>\$ 1,685,274</u>	<u>\$ 1,229,500</u>

During the year ended June 30, 2019, the Foundation received a conditional promise to give in the amount of \$250,000 which is contingent upon the Foundation meeting certain fundraising goals for the Building Tomorrow Together campaign. During the year ended June 30, 2021, the Foundation received a conditional promise to give in the amount of \$150,000 which is contingent upon the Foundation deciding to move forward with the construction of an entrance way to the building addition. Conditional promises to give are not recognized in the statement of financial position.

NOTE 5: ENDOWED SCHOLARSHIPS PAYABLE

The Foundation has adopted Statement of Financial Accounting Standard No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This standard requires that a liability be established to a beneficiary by the Foundation when a donor transfers assets to the Foundation that (a) uses the assets on behalf of or (b) transfers those assets, the return on investment of those assets, or both to a beneficiary named by the donor.

The Endowed Scholarship accounts transferred to the Foundation by the College were for investment purposes. The Foundation is to invest these moneys on behalf of the College and transfer an amount not to exceed 80% of the total rate of return of the scholarship fund earned during the prior fiscal year, or a minimum of 5% of the fair market value of the scholarship fund at the end of its fiscal year. During the years ended June 30, 2021 and 2020, the Foundation remitted 5% of the fiscal year's beginning Scholarship accounts balance.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 5: ENDOWED SCHOLARSHIPS PAYABLE – CONTINUED

The overall investment objective of the fund will be to maximize growth while generating sufficient income and maintaining adequate cash reserves to meet stated distribution requirements. Risk of loss will be minimized and controlled by creating a high quality, well diversified portfolio and by utilizing a balanced asset mix allocation. The objective of growth when balanced with income requirements and risk parameters will create a portfolio which will experience moderate volatility.

The financial effects of transactions related to these endowed scholarship funds are recorded as changes in the endowed scholarship payable account and are not included in the statements of activities. The changes in that liability are summarized as follows:

	2021	2020
Additions:		
Contributions	\$ 105,195	\$ 20,673
Investment income (loss), net of fees	990,032	80,087
Transfer from Foundation assets	13,861	-
Total additions	1,109,088	100,760
Deductions:		
Distributions to the College	220,206	226,495
Transfer to Foundation net assets	-	11,241
Total deductions	220,206	237,736
Change in balance	888,882	(136,976)
Balance endowed scholarships payable, beginning of year	4,404,152	4,541,128
Balance endowed scholarships payable, end of year	\$ 5,293,034	\$ 4,404,152

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 6: PURPOSE RESTRICTED NET ASSETS

Purpose restricted net assets are available for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Program activities:		
Building Tomorrow Together Campaign	\$ 1,035,593	\$ 1,649,576
Nursing Scholarships	877,324	879,704
Other Scholarships	827,711	166,633
EMS Scholarships and program support	282,696	263,261
Community outreach	44,931	3,293
Nursing Department	50,382	39,132
Student Emergency Fund	43,108	30,618
Early Childhood Education	27,298	27,298
Miscellaneous	<u>275,245</u>	<u>93,071</u>
 Total purpose-restricted net assets	 <u><u>\$ 3,464,288</u></u>	 <u><u>\$ 3,152,586</u></u>

Other scholarships includes a \$500,000 pledge, \$250,000 of which has been received, restricted for nursing, allied health and EMS program needs. The donor has restricted spending to earnings only until one year after the remaining \$250,000 has been received. Subsequently, up to \$50,000 of earnings and principal may be spent annually, for the restricted purpose.

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

	<u>2021</u>	<u>2020</u>
Purpose restriction accomplished		
Building Tomorrow Together Campaign	\$ 1,853,812	\$ -
Scholarships	152,945	239,856
EMS Scholarships and program support	14,455	4,579
Student Emergency Fund	5,000	55,000
Miscellaneous	<u>62,324</u>	<u>80,934</u>
 Total net assets released from restrictions	 <u><u>\$ 2,088,536</u></u>	 <u><u>\$ 380,369</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 7: ENDOWMENT NET ASSETS

The Foundation's endowment consists of four funds established for a variety of purposes. Its endowment includes two funds designated by the Board of Directors to function as endowments as well as two donor restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation manages its endowments on a pooled basis, and earnings on the pooled investments are allocated on a pro rata basis to each of the funds.

Interpretation of Relevant Law: Absent explicit donor stipulations to the contrary, the Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation.

Investment Return Objectives, Risk Parameters, and Strategies: The Foundation has adopted investment policies, approved by the Board of Directors, for both the Foundation's general investments as well as endowment assets that attempt to provide a long-term stable source of income to support the Foundation's mission.

Under these objectives, the endowment assets are invested in a manner that is intended to achieve the highest rate of return given a low tolerance for risk. Unless a donor provides to the contrary, the investment income derived by endowment assets are reinvested in the fund and can only be accessed for specific Board-approved purposes. The Board may designate funds to the endowment at any time. To satisfy desired return objectives and abiding with risk tolerances, the Foundation relies both on capital appreciation and accumulated earnings of endowment assets to grow the funds. The Foundation utilizes money market funds, marketable equitable securities, marketable fixed income securities, marketable real estate investments, and marketable alternative funds to maximize its long-term objectives with prudent risk constraints.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 7: ENDOWMENT NET ASSETS – CONTINUED

Composition of Endowment Net Assets: Composition of and changes in endowment net assets for the years ended June 30:

	Board Designated Quasi- Endowment	Donor Restricted Endowment	Total
Balance - July 1, 2019	\$ -	\$ 156,932	\$ 156,932
Contributions	-	-	-
Designations	840,803	-	840,803
Net appreciation and investment income	15,348	2,865	18,213
Amounts appropriated for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Balance - June 30, 2020	856,151	159,797	1,015,948
Contributions	27	532,562	532,589
Designations	-	-	-
Net appreciation and investment income	111,273	56,398	167,671
Amounts appropriated for expenditure	<u>(31,004)</u>	<u>-</u>	<u>(31,004)</u>
Balance - June 30, 2021	<u>\$ 936,447</u>	<u>\$ 748,757</u>	<u>\$ 1,685,204</u>

A contribution of \$100,000 was received from the Jack Harris Trust during the fiscal year ended June 30, 2014. The contribution was to establish an endowment fund for the perpetual care of the Jack Harris Gardens. The balance restricted in perpetuity was \$100,000 at June 30, 2021 and 2020.

During the fiscal years ended June 30, 2016-2019, contributions totaling \$45,000 were received to establish the Postle Community Outreach Fund. During the year ended June 30, 2021, the Foundation received an additional \$532,562 to be added to the Postle Community Outreach Fund. The earnings from these endowment funds are restricted for outreach programs. The balance restricted in perpetuity was \$577,562 and \$45,000 at June 30, 2021 and 2020, respectively.

During the year ended June 30, 2020, the Board of Directors motioned to endow the Allied EMS Systems fund, a fund that was established by a purpose-restricted contribution in the fiscal year ended June 30, 2016. The fund value at June 30, 2021 was \$282,696. The endowment is subject to a spending policy not to exceed \$13,000 annually and is restricted for EMS Scholarships and program support.

During the year ended June 30, 2020, the Board of Directors motioned to endow the Barton Estate Nursing fund, a fund that was established by two purpose-restricted bequests in the fiscal years ended June 30, 2017-2018. The fund value at June 30, 2021 was \$653,751. The endowment is subject to a spending policy not to exceed \$20,000 annually and is restricted for nursing scholarships.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 8: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation's financial assets at June 30, consist of cash, investments and receivables as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 11,840,851	\$ 10,671,844
Less those unavailable for general expenditures within one year due to:		
Endowed scholarships payable	(5,293,034)	(4,404,152)
Donor restrictions for specific purposes	(3,464,288)	(3,152,586)
Donor restrictions perpetual in nature	(677,562)	(145,000)
Board designated for Building Tomorrow Together Campaign	<u>-</u>	<u>(979,002)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,405,967</u>	<u>\$ 1,991,104</u>

As part of the Foundation's liquidity management, it invests excess cash in marketable investments.

NOTE 9: FUNCTIONAL ALLOCATION BY NATURAL CLASSIFICATION

The Foundation does not have employees and instead pays the College for personnel services. The following information is provided in lieu of a statement of functional expenses for the years ended June 30,

	<u>2021</u>			
	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 3,074,552	\$ -	\$ -	\$ 3,074,552
Contracted services	<u>-</u>	<u>370,249</u>	<u>132,804</u>	<u>503,053</u>
Total expenses	<u>\$ 3,074,552</u>	<u>\$ 370,249</u>	<u>\$ 132,804</u>	<u>\$ 3,577,605</u>
	<u>2020</u>			
	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 381,075	\$ -	\$ -	\$ 381,075
Contracted services	<u>-</u>	<u>200,294</u>	<u>165,489</u>	<u>365,783</u>
Total expenses	<u>\$ 381,075</u>	<u>\$ 200,294</u>	<u>\$ 165,489</u>	<u>\$ 746,858</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 10: DONATED SERVICES

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 11: RELATED PARTY ACTIVITY

The Foundation reimbursed the College for the following purposes during the years ended June 30:

	<u>2021</u>	<u>2020</u>
Purpose:		
Personnel services	\$ 365,413	\$ 179,796
Other grants, etc.	<u>1,831,600</u>	<u>366,206</u>
 Total	 <u><u>\$ 2,197,013</u></u>	 <u><u>\$ 546,002</u></u>

The College also provided the following services without reimbursement as in-kind contributions to the Foundation. These amounts have been reflected in both the Foundation's expenses and unrestricted contribution revenue.

	<u>2021</u>	<u>2020</u>
Purpose:		
Personnel services	\$ -	\$ 54,953
Other including accounting, rent printing, postage, etc.	<u>136,289</u>	<u>56,209</u>
 Total	 <u><u>\$ 136,289</u></u>	 <u><u>\$ 111,162</u></u>

NOTE 12: EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 30, 2021, the date the financial statements were available to be issued.

NOTE 13: RISKS AND UNCERTAINTIES

COVID-19

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. The Foundation believes it understands the risk associated with COVID-19. The Foundation has implemented risk mitigation tactics to mitigate the risk associated with the impact of COVID-19 related to the Foundation's operations within and outside of the Foundation and College. The extent to which the pandemic impacts other future funding or Foundation and College operations will depend on future developments, which are highly uncertain at this time and cannot be predicted.

OTHER SUPPLEMENTAL INFORMATION

NORTH CENTRAL MICHIGAN COLLEGE FOUNDATION
SCHEDULE OF CHANGES IN ENDOWED SCHOLARSHIPS PAYABLE
Year Ended June 30, 2021

Fund name:	Balance July 1, 2020	Transfers	Additional Contributions	Investment Earnings (Losses)	Allocation to College	Balance June 30, 2021
Annual Cookout	\$ 178,507	\$ -	\$ -	\$ 39,531	\$ (8,925)	\$ 209,113
Annual Golf Outing	322,338	-	-	71,383	(16,117)	377,604
Ames, Richard and Marcia	43,939	-	-	9,730	(2,197)	51,472
Arnott, Edward Memorial/ Petoskey Lions Club/ PHS Latin Club	12,830	-	-	2,841	(642)	15,029
Behling, Meriam "Mims" Memorial	12,181	-	-	2,698	(609)	14,270
Beier, Linda Sue Memorial	33,109	-	150	7,349	(1,655)	38,953
Billiau, Bertha Piehl/ Bi-Centennial, 1976/ Justin & Aaron Gillies	13,183	-	-	2,919	(659)	15,443
Blanz, Robert C. Memorial	111,115	-	-	24,607	(5,556)	130,166
Bodzick, Barbara J. Nursing/ William Connaughton	9,656	-	-	2,138	(483)	11,311
Brunet, Marjorie Memorial	30,748	-	800	6,898	(1,537)	36,909
Burns Clinic - Dean C. Burns	20,346	-	-	4,506	(1,017)	23,835
Burns Clinic Medical Center, P.C., Retired Physicians	22,695	-	-	5,026	(1,135)	26,586
Burns Foundation Nursing	13,563	-	-	3,004	(678)	15,889
Cummings, Lawrence G Memorial	-	13,861	8,625	4,025	-	26,511
Curtis, Emma and Heber Memorial	457,698	-	-	101,359	(22,885)	536,172
Curtis, Martha Memorial	1,209,943	-	-	267,947	(60,497)	1,417,393
Dawson, Aron Memorial	32,542	-	150	7,223	(1,627)	38,288
Dilworth, James L. Memorial/ NCMC Engineering Tech.	12,895	-	-	2,856	(645)	15,106
Fearon, Gordon Memorial	18,725	-	-	4,147	(936)	21,936
Festerling, K C./ NCMC Trustees Memorial	12,768	-	-	2,828	(638)	14,958
Hammontree, Debra L. Memorial/ NCMC Naples /Charlene Bellmer Hartsough Memorial	9,935	-	-	2,200	(497)	11,638
Hanna, Elmer J. and Wilma S. Memorial	92,287	-	-	20,437	(4,614)	108,110
Harris, Jack & Dorothy Memorial	357,700	-	-	79,214	(17,885)	419,029
Hartman, George and Betty	11,549	-	-	2,558	(577)	13,530
Herlocher, Dr. M. Louise	13,672	-	-	3,028	(684)	16,016
Hodulik, Gene and Carolyn	34,255	-	1,000	7,697	(1,713)	41,239
Keith, James, S. Jr., M.D.	38,378	-	2,500	8,776	(1,919)	47,735
Kiwanis Club of Petoskey	10,018	-	-	2,219	(501)	11,736
LaCount, Alford Memorial	246,876	-	-	54,672	(12,344)	289,204
Lampert, Bertha Memorial	13,992	-	-	3,099	(700)	16,391
Lites, Mary & George Memorial	41,695	-	-	9,234	(2,085)	48,844
Mayne, Neff Memorial	-	-	80,000	8,858	-	88,858
McCune, Charles Allan Memorial	35,266	-	-	7,810	(1,763)	41,313
McEnroe, John E	18,145	-	-	4,018	(907)	21,256
Moll-Boyne Scholarship	14,749	-	-	3,266	(737)	17,278
NCMC Memorial/ Dorothy Sergent Memorial	15,949	-	-	3,532	(797)	18,684
Newmann, Ron and Lue	246,553	-	10,000	55,708	(12,328)	299,933
Northern Michigan Medical Society	9,205	-	-	2,038	(460)	10,783
Nursing Alumni	16,929	-	-	3,749	(846)	19,832
Offield Family Foundation	180,484	-	-	39,969	(9,024)	211,429
Petoskey News Review-Kirk Schaller-Jim Doherty	25,047	-	-	5,547	(1,252)	29,342
Pyjar, Lewis "Louie"	27,197	-	-	6,023	(1,360)	31,860
Schweigert, Thomas F Memorial	10,250	-	-	2,270	(513)	12,007
Shankland, A D Memorial	2,924	-	100	659	(146)	3,537
Sharkey, Vivian & Reginald Memorial	28,838	-	-	6,386	(1,442)	33,782
Spitler, H Carl Memorial	35,880	-	-	7,946	(1,794)	42,032
Thompson, Merle & Blanche Memorial	31,599	-	-	6,998	(1,580)	37,017
Van Gee, Susan J. and Michael G. Schirk	102,553	-	-	22,711	(5,128)	120,136
Verhelle, Robert E. Memorial	13,538	-	-	2,998	(677)	15,859
Vratnina, Dorothea and Robert Memorial	19,701	-	-	4,363	(985)	23,079
Waldvogel, Jack Memorial	18,614	-	1,000	4,233	(931)	22,916
Walstrom-Bolline, Roma F. Memorial	96,368	-	-	21,341	(4,818)	112,891
Winnell Memorial Scholarship	15,225	-	870	3,460	(761)	18,794
	<u>\$ 4,404,152</u>	<u>\$ 13,861</u>	<u>\$ 105,195</u>	<u>\$ 990,032</u>	<u>\$ (220,206)</u>	<u>\$ 5,293,034</u>