

**NEW JERSEY WORLD TRADE
CENTER SCHOLARSHIP FUND**
Trenton, New Jersey

FINANCIAL STATEMENTS
June 30, 2012

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CliftonLarsonAllen

Independent Auditor's Report

To the Board of Trustees of
New Jersey World Trade Center Scholarship Fund

We have audited the accompanying statement of financial position of New Jersey World Trade Center Scholarship Fund (the Fund) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Jersey World Trade Center Scholarship Fund as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Mt. Laurel, New Jersey
October 15, 2012

FINANCIAL STATEMENTS

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2012

ASSETS

Cash and cash equivalents	<u>\$ 1,081,639</u>
TOTAL ASSETS	<u>\$ 1,081,639</u>

NET ASSETS

Temporarily restricted	<u>\$ 1,081,639</u>
TOTAL NET ASSETS	<u>\$ 1,081,639</u>

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

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

	Temporarily Restricted
SUPPORT AND REVENUES	
State of New Jersey appropriation	\$ 202,000
Contributions	3,801
Total support and revenues	205,801
PROGRAM EXPENSES	
Scholarship awards	297,500
Change in net assets before interest income	(91,699)
Interest income	488
CHANGE IN NET ASSETS	(91,211)
NET ASSETS, BEGINNING OF YEAR	1,172,850
NET ASSETS, END OF YEAR	\$ 1,081,639

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

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF CASH FLOWS
Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ <u>(91,211)</u>
NET DECREASE IN CASH	(91,211)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,172,850</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,081,639</u>

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

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Program

On January 11, 2002, New Jersey Acting Governor Bennett signed into law P.L.2001, c.442, N.J.S.A.18A:71B-23.1 et seq., the “New Jersey World Trade Center Scholarship Program Act” (the “Act”). The Act (N.J.S.A.18A:71B-23.3a) established a non-lapsing fund, known as the New Jersey World Trade Center Scholarship Fund (the “Fund”), in the New Jersey Higher Education Student Assistance Authority. The Act further required that the Fund be administered by a board of trustees (N.J.S.A.18A:71B-23.4).

The Board of Trustees consists of the State Treasurer, or a designee, and ten appointed public members to administer the Fund. Board members serve without compensation but are entitled to be reimbursed for reasonable and necessary expenses incurred in the discharge of their duties.

The purpose of the Fund is to award scholarships from the Fund for the costs of undergraduate study at an institution of higher education to the dependent children or surviving spouses of persons who were New Jersey residents on September 11, 2001, and who were killed in the terrorist attacks on the United States on September 11, 2001, who died as a result of injuries received in the attacks, who are missing and officially presumed dead as a direct result of the attacks, and recently expanded to families of individuals who died due to exposure to the attack sites. The terrorist attacks on the United States include the hijackings and subsequent crashes at the World Trade Center in New York City, the Pentagon in Arlington, Virginia and in Somerset County, Pennsylvania. Scholarships from the Fund may be awarded annually, upon proper application to the Fund, to any student who qualifies under the criteria developed by the Board of Trustees.

Support of the Fund consists of annual New Jersey Legislature appropriations from the State of New Jersey’s General Fund; investment earnings of the Fund; and moneys contributed to the Fund by public and private sources. The solicitation and raising of private funds are included in the duties of the board members. Operating expenses consist of scholarship awards.

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Basis of Presentation

The Fund reports 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. The Fund has only temporarily restricted net assets.

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of reporting on the Statement of Cash Flows, the Fund considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Public Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Fund that is, in substance, unconditional. An unconditional promise to give is reported at its net realizable value. State appropriations are recorded in the year appropriated.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Federal Income Taxes

The Fund has been organized exclusively to provide charitable and educational services and thus is exempt from federal income taxes under Section 501(c)(3) of the Federal Internal Revenue Code.

Restricted Net Assets

In accordance with the terms of the “New Jersey World Trade Center Scholarship Program Act” and the by-laws of the “New Jersey World Trade Center Scholarship Fund,” all funds are classified as temporarily restricted net assets.

NOTE 2 – SUPPORT AND REVENUES

For the fiscal year ended June 30, 2012, the Fund received a \$202,000 appropriation from the State of New Jersey General Fund, and \$3,801 in contributions derived from the Tax Year 2010 Form NJ 1040 “check-off” box for the New Jersey - World Trade Center Scholarship Fund.

NOTE 3 – SCHOLARSHIP AWARDS

For the year ended June 30, 2012, the Fund disbursed \$307,499 of scholarships and was refunded \$10,000 due to several scholarships that were over the actual unfunded cost of attendance and the cancellation of several awards. For the 2011/2012 academic year, the maximum award per student was \$5,000.

NOTE 4 –INCOME ON INVESTMENTS

For the year ended June 30, 2012, the Fund had interest income earned in the State of New Jersey Cash Management Fund of \$488.

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 5 – SUBSEQUENT EVENTS

Management evaluated subsequent events through October 15, 2012, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2012, but prior to October 15, 2012, that provided additional evidence about conditions that existed at June 30, 2012, have been recognized in the financial statements for the year ended June 30, 2012. Events or transactions that provided evidence about conditions that did not exist at June 30, 2012 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2012.

Management did not identify any subsequent events that required adjustment to or disclosure in the financial statements for the year ended June 30, 2012.