

**NEW JERSEY WORLD TRADE CENTER
SCHOLARSHIP FUND**

FINANCIAL STATEMENTS

JUNE 30, 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
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JUNE 30, 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
New Jersey World Trade Center Scholarship Fund
Trenton, New Jersey

We have audited the accompanying financial statements of New Jersey World Trade Center Scholarship Fund (the Fund), which comprise the statement of net position as of June 30, 2017, 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.

Board of Trustees
New Jersey World Trade Center Scholarship Fund

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, 2017, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Mt. Laurel, New Jersey
October 23, 2017

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Cash and Cash Equivalents	<u>\$ 124,219</u>
Total Assets	<u><u>\$ 124,219</u></u>

NET ASSETS

Temporarily Restricted	<u>\$ 124,219</u>
Total Net Assets	<u><u>\$ 124,219</u></u>

See accompanying Notes to Financial Statements.

**NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

	Temporarily Restricted
SUPPORT AND REVENUES	
State of New Jersey Appropriations	\$ 407,000
Contributions	1,809
Interest Income	692
Total Support and Revenues	409,501
 PROGRAM EXPENSES	
Scholarship Awards	442,500
 CHANGE IN NET ASSETS	
	(32,999)
Net Assets – Beginning of Year	157,218
 NET ASSETS – END OF YEAR	 \$ 124,219

See accompanying Notes to Financial Statements.

**NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets \$ (32,999)

NET DECREASE IN CASH (32,999)

Cash and Cash Equivalents – Beginning of Year 157,218

CASH AND CASH EQUIVALENTS – END OF YEAR \$ 124,219

See accompanying Notes to Financial Statements.

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 nonlapsing 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.

The money contributed to scholarship awards from public and private sources did not cover fiscal year 2017 scholarship expenses and will not cover the fiscal year 2018 and future years' budgeted scholarship expenses. Under the Fiscal 2017 Appropriations Act, the Authority, as administrator of the Fund, has and will continue to transfer student financial aid grants among accounts within the Student Assistance Programs administered by the Authority in order to ensure timely awards. Therefore, the Fund will be able to continue awarding scholarships to the remaining students.

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.

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statement presentation follows the Financial Accounting Standards Board in ASC 958 *Not-For-Profit Entities*. 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.

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.

The Fund follows the Financial Accounting Standards Board (FASB) guidance that requires a tax position to be recognized or derecognized based on a more-likely-than-not threshold. The Fund does not believe its financial statements include any uncertain tax positions. The Fund's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. No interest or penalties were recognized in 2017 and 2016.

Temporarily 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. Temporarily restricted assets are net assets subject to donor-imposed stipulations that will be met by actions of the Fund or by the passage of time.

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 SUPPORT AND REVENUES

For the fiscal year ended June 30, 2017, the Fund received \$202,000 in appropriations from the State of New Jersey General Fund, as well as appropriations totaling \$205,000 transferred from other program balances and \$1,809 in contributions derived from the Tax Year 2015 Form NJ 1040 "check-off" box.

NOTE 3 SCHOLARSHIP AWARDS

For the year ended June 30, 2017, the Fund disbursed \$447,500 of scholarships of which \$5,000 was refunded due to students not meeting attendance and academic requirements. For the 2016/2017 academic year, the maximum award per student was \$5,000.

NOTE 4 INCOME ON INVESTMENTS

For the year ended June 30, 2017, the Fund had interest income earned in the State of New Jersey Cash Management Fund of \$692.

NOTE 5 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 23, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to October 23, 2017, that provided additional evidence about conditions that existed at June 30, 2017, have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017 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, 2017.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.