

Return of Organization Exempt From Income Tax

2008

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Header section A-M containing organization name, address, tax year, and identification numbers.

Part I Summary

Summary table with rows for mission, governance, revenue, expenses, and net assets.

Part II Signature Block

Signature block containing officer and preparer signatures and identifying information.

May the IRS discuss this return with the preparer shown above? (see instructions)

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
Provide scholarships and related financial aid to students of Middlesex County College

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 710,631 including grants of \$ 588,368) (Revenue \$)
Scholarships and related financial aid awarded to 545 students of Middlesex County College pursuant to the scholarship program.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ 710,631 (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	✓	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		✓
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		✓
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		✓
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	✓	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	✓	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		✓
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		✓
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		✓
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	✓	
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	✓	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		✓
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		✓
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		✓
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	✓	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J		✓
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		✓
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		✓

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		✓
4b	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		✓
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		✓
5c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions that were not tax deductible?		✓
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		✓
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		✓
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		✓
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		✓
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	✓	
5	Did the organization become aware during the year of a material diversion of the organization's assets?		✓
6	Does the organization have members or stockholders?		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		✓
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	✓	
8b	Each committee with authority to act on behalf of the governing body?	✓	
9a	Does the organization have local chapters, branches, or affiliates?		✓
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	✓	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		✓

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	✓	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	✓	
13	Does the organization have a written whistleblower policy?	✓	
14	Does the organization have a written document retention and destruction policy?	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15a	The organization's CEO, Executive Director, or top management official?	✓	
15b	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)		✓
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		✓
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► New Jersey
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Michael J. David-Wilson and Gulnaz Batliwala, Foundation offices, (732)906-2564

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Michael J. David-Wilson Executive Director	40+			✓			109,533	0	35,466	
Brian Daugherty Chairperson	various			✓			0	0	0	
Jacqueline Hancock Pena First Vice Chairperson	various			✓			0	0	0	
John V. Visceglia Second Vice Chairperson	various			✓			0	0	0	
Barbara J. Bernard Third Vice Chairperson	various			✓			0	0	0	
Ronald E. Berger, CPA Treasurer	various			✓			0	0	0	
Thomas Koston, AIA Secretary	various			✓			0	0	0	
Edmund O. Andich Director	various	✓					0	0	0	
Frank T. Antisell, PE,PP Director	various	✓					0	0	0	
Bernie Bailey Director	various	✓					0	0	0	
Jean Battaglia Director	various	✓					0	0	0	
Hank Bauer Director	various	✓					0	0	0	
Randy Berkow Director	various	✓					0	0	0	
Suggy S. Chrai, Ph D Director	various	✓					0	0	0	
Robert Ciatto Director	various	✓					0	0	0	
Albina Chismar Director	various	✓					0	0	0	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Diane Conboy Director	various	<input checked="" type="checkbox"/>						0	0	0
Maryann Conners Director	various	<input checked="" type="checkbox"/>						0	0	0
Donald R. Drost Jr Director	various	<input checked="" type="checkbox"/>						0	121,176	17,484
William Egbert Director	various	<input checked="" type="checkbox"/>						0	0	0
Sylvester Fernandez Director	various	<input checked="" type="checkbox"/>						0	0	0
Mark Finkelstein Director	various	<input checked="" type="checkbox"/>						0	0	0
Ronald C. Goldfarb, JD Director	various	<input checked="" type="checkbox"/>						0	140,551	20,029
Dr. Karen L Hays Director	various	<input checked="" type="checkbox"/>						0	137,595	6,613
Agnes A Hirsch, Ed D Director	various	<input checked="" type="checkbox"/>						0	0	0
John A Hoffman, Esq Director	various	<input checked="" type="checkbox"/>						0	0	0
Joun J Hogan Director	various	<input checked="" type="checkbox"/>						0	0	0
Samuel C Inglese, Esq Director	various	<input checked="" type="checkbox"/>						0	0	0
Saleem Iqbal Director	various	<input checked="" type="checkbox"/>						0	0	0

1b Total ▶

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **▶ one**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		<input checked="" type="checkbox"/>
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual.</i>		<input checked="" type="checkbox"/>
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		<input checked="" type="checkbox"/>

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
None		

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **▶ None**

Part VIII Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	137,075				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	430,945				
	g Noncash contributions included in lines 1a-1f. \$		0				
	h Total. Add lines 1a-1f			568,020			
Program Service Revenue	2a		Business Code				
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			211,865		211,865	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross Rents	(i) Real	(ii) Personal				
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		4,158,716					
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)			(729,059)			(729,059)
	8a Gross income from fundraising events (not including \$ 137,075 of contributions reported on line 1c). See Part IV, line 18	a	68,891				
		b Less: direct expenses	b	68,011			
c Net income or (loss) from fundraising events				880	880		
9a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a In-kind support			11,687	11,687			
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			63,393	12,567		(517,194)	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	588,368	588,368		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	102,734		41,094	61,640
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	225,080	54,793	99,393	70,894
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	25,040	6,010	11,017	8,013
9	Other employee benefits	74,703	17,929	32,869	23,905
10	Payroll taxes	28,320	6,797	12,461	9,062
11	Fees for services (non-employees).				
a	Management				
b	Legal				
c	Accounting	6,590	1,582	2,899	2,109
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17	15,728			15,728
f	Investment management fees	31,731	7,615	13,962	10,154
g	Other	7,101	1,704	3,125	2,272
12	Advertising and promotion	2,757	662	1,213	882
13	Office expenses	12,211	2,931	5,373	3,907
14	Information technology				
15	Royalties				
16	Occupancy	4,800	1,152	2,112	1,536
17	Travel	3,063	735	1,348	980
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	7,340	1,761	3,230	2,349
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	4,659	1,118	2,050	1,491
23	Insurance				
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Annuity distributions	2,664	639	1,172	853
b	Computer supplies and services	15,411	3,699	6,781	4,931
c	Accrued vacation	16,673	4,002	7,336	5,335
d	Fees, licenses and permits	1,483	356	652	475
e	Uncollectible accounts expense	35,235	8,456	15,504	11,275
f	All other expenses	1,343	322	591	430
25	Total functional expenses. Add lines 1 through 24f	1,213,034	710,631	264,182	238,221
26	Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	124,022	1	276,103
	2 Savings and temporary cash investments	1,761,617	2	416,455
	3 Pledges and grants receivable, net	1,181,376	3	88,965
	4 Accounts receivable, net	237,879	4	88,483
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	8,500	9	3,680
	10a Land, buildings, and equipment: cost basis	66,535		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	61,074		
		9,260	10c	5,461
	11 Investments—publicly traded securities	6,754,113	11	7,518,759
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)	10,076,767	16	8,397,906	
Liabilities	17 Accounts payable and accrued expenses	85,942	17	63,463
	18 Grants payable	626,157	18	577,570
	19 Deferred revenue	12,200	19	5,610
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	724,299	26	646,643
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	(403,061)	27	(1,236,343)
	28 Temporarily restricted net assets	880,456	28	1,553,995
	29 Permanently restricted net assets	8,875,073	29	7,433,611
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	9,352,468	33	7,751,263	
34 Total liabilities and net assets/fund balances	10,076,767	34	8,397,906	

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		✓
b Were the organization's financial statements audited by an independent accountant?	✓	
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	✓	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		✓
b If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

Middlesex County College Foundation Inc.

Employer identification number

22 : 6079662

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H.)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state:
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III—Functionally integrated
 - d Type III—Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,779,691	874,491	1,718,318	1,484,400	567,910	6,424,810
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge	29,978	30,278	33,747	32,888	32,363	159,254
4 Total. Add lines 1-3	1,809,669	904,769	1,752,065	1,517,288	600,273	6,584,064
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						3,094,210
6 Public support. Subtract line 5 from line 4.						3,489,854

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	1,809,669	904,769	1,752,065	1,517,288	600,273	6,584,064
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	324,067	346,611	426,249	732,207	180,133	2,009,267
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						8,593,331

12 Gross receipts from related activities, etc (see instructions) **12**

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	40.61 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%

- 16a 33 1/3 % support test—2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization
- b 33 1/3 % support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization
- 17a 10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization
- b 10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
- 18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

- 19a 33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

Name of the organization

Employer identification number

Middlesex County College Foundation Inc.

22 6079662

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically important land area
 Protection of natural habitat Preservation of certified historic structure
 Preservation of open space
- 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year
- | | Held at the End of the Year |
|--|-----------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06 | 2d |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶
- 4 Number of states where property subject to conservation easement is located ▶
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
 (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$
- (ii) Assets included in Form 990, Part X ▶ \$
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
 a Revenues included in Form 990, Part VIII, line 1 ▶ \$
- b Assets included in Form 990, Part X ▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	8,875,073				
b Contributions	88,199				
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	(1,529,661)				
f Administrative expenses					
g End of year balance	7,433,611				

- 2** Provide the estimated percentage of the year end balance held as:
- a** Board designated or quasi-endowment ▶%
 - b** Permanent endowment ▶ %
 - c** Term endowment ▶ %
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|------------------------------------|-----|----|
| (i) unrelated organizations | | ✓ |
| (ii) related organizations | | ✓ |
- b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 3b** Yes No
- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment	66,535		61,074	5,461
e Other				
Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				5,461

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	63,393
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,213,034
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(1,149,641)
4	Net unrealized gains (losses) on investments	4	(451,564)
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	(451,564)
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	(1,601,205)

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	760,720
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	(729,059)
e	Add lines 2a through 2d	2e	(729,059)
3	Subtract line 2e from line 1	3	31,661
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	31,732
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	31,732
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	63,393

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	2,361,925
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	1,180,623
e	Add lines 2a through 2d	2e	1,180,623
3	Subtract line 2e from line 1	3	1,181,302
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	31,732
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	31,732
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	1,213,034

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Part XII, line 2d: realized losses on security transactions

Part XIII, line 2d: realized (729,059) and unrealized (451,563) losses on security transactions

Part V, line 1e consists of transfers to Board designated net assets of 1,299,646 and donor releases of lost endowment value of 230,015.

Part V, line 4: The organization's intended use of endowment funds is to realize a total investment return that will allow it to continue annual awards of scholarships and related financial aid to students. Part V includes only permanently restricted net assets in the reconciliation; line 1e includes \$1,299,646 transferred to board designated net assets.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		Golf Classic	Scholarship Ball	1	(Add col (a) through col (c))
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts	58,445	146,641	880	205,966
	2 Less: Charitable contributions	28,420	108,655		137,075
	3 Gross revenue (line 1 minus line 2)	30,025	37,986	880	68,891
Direct Expenses	4 Cash prizes	3,050	10,576		13,626
	5 Non-cash prizes				
	6 Rent/facility costs	22,855	19,805		42,660
	7 Other direct expenses	4,120	7,605		11,725
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(68,011)
9 Net income summary. Combine lines 3 and 8 in column (d) ▶				880	

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				()	
8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶					

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," Explain: _____ _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," Explain: _____ _____		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a	%	
b	An outside facility	13b	%	
14	Provide the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ▶			
	Address ▶			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$			
c	If "Yes," enter name and address:			
	Name ▶			
	Address ▶			
16	Gaming manager information:			
	Name ▶			
	Gaming manager compensation ▶ \$			
	Description of services provided ▶			
	<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$			

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Educational scholarships and related financial aid	545	588,368	0	n/a	n/a

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Scholarship funds and financial aid grants are transferred to the Bursar of Middlesex County College for posting to the qualifying recipients' student accounts. The

Bursar's office monitors the students' progress to ensure continued qualification, including regular attendance, maintenance of grades and other relative criteria.

Applicants are required to submit end-of-year reports to the College indicating their compliance with the terms of their awards.

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		<input checked="" type="checkbox"/>
b Gift, grant, or capital contribution to other organization(s)	<input checked="" type="checkbox"/>	
c Gift, grant, or capital contribution from other organization(s)	<input checked="" type="checkbox"/>	
d Loans or loan guarantees to or for other organization(s)	<input checked="" type="checkbox"/>	
e Loans or loan guarantees by other organization(s)	<input checked="" type="checkbox"/>	
f Sale of assets to other organization(s)	<input checked="" type="checkbox"/>	
g Purchase of assets from other organization(s)	<input checked="" type="checkbox"/>	
h Exchange of assets	<input checked="" type="checkbox"/>	
i Lease of facilities, equipment, or other assets to other organization(s)	<input checked="" type="checkbox"/>	
j Lease of facilities, equipment, or other assets from other organization(s)	<input checked="" type="checkbox"/>	
k Performance of services or membership or fundraising solicitations for other organization(s)	<input checked="" type="checkbox"/>	
l Performance of services or membership or fundraising solicitations by other organization(s)	<input checked="" type="checkbox"/>	
m Sharing of facilities, equipment, mailing lists, or other assets	<input checked="" type="checkbox"/>	
n Sharing of paid employees	<input checked="" type="checkbox"/>	
o Reimbursement paid to other organization for expenses	<input checked="" type="checkbox"/>	
p Reimbursement paid by other organization for expenses	<input checked="" type="checkbox"/>	
q Other transfer of cash or property to other organization(s)	<input checked="" type="checkbox"/>	
r Other transfer of cash or property from other organization(s)	<input checked="" type="checkbox"/>	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)	Middlesex County College -- scholarships and financial aid to students	b	588,368
(2)	Middlesex County College -- rent-free use of office space and mailing services	j and m	11,687
(3)			
(4)			
(5)			
(6)			

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

Middlesex County College Foundation Inc.

Employer identification number

22 : 6079662

Part VI, line 4: The organization adopted document retention and whistleblower policies during the year,

Part VI, line 10: Due to the large number (54) of board members, it is not practical for each member to review Form 990 and the audited financial statements prior to filing. Therefore, such documents are provided to the full Audit Committee, key representatives of the Finance Committee, the organization's Chair, Executive Director and Treasurer, and the VP for Finance of Middlesex County College. The organization's independent auditors are also present for the review meeting.

Part VI, line 12c: Annually at the fourth quarter board meeting in May, trustees and directors sign new conflict of interest declarations effective for the next fiscal year, beginning July 1. New forms are sent to any members absent from the May meeting and must be received no later than the first quarter board meeting in September.

Part VI, line 15a: The compensation of the Executive Director is reviewed annually by the organization's Executive Committee, serving as an ad hoc compensation committee. The annual evaluation is compared to written and measurable performance objectives agreed upon one year prior to the review. The appropriate salary and compensation package is determined by reference to industry-specific reports and other studies of comparable organizations. Areas of leadership responsibility which are taken into account include fundraising, scholarship administration, financial management, personnel skills, development of best practices, and similar qualities. Compensation is directly linked to experience, performance objectives and job description norms within the fundraising industry. The compensation package agreed to by the Executive Committee is approved by the full board at a meeting prior to the start of the next fiscal year, and is subject to review and re-evaluation during the year by the Executive Committee.

Part VI, line 15b: There are no officers other than the Executive Director who are compensated, or employees who meet the definition of "key employee".

Part VI, line 19: Governing documents, conflict of interest policy and financial information will be made available upon receipt at the organization's office of a written request for such information. Form 990 is available on the "Guidestar" website.

**SCHEDULE J-2
(Form 990)**

Continuation Sheet for Form 990

OMB No 1545-0047

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

**Open to Public
Inspection**

Name of the Organization: **Middlesex County College Foundation Inc** Employer Identification number: **22 6079662**

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Jerome F Katcher Director	various	✓					0	0	0	
Warren D Kelemen Director	various	✓					0	0	0	
John G Kimmins Director	various	✓					0	0	0	
Fred H Kurtz Jr Director	various	✓					0	0	0	
Linda Landis Director	various	✓					0	0	0	
Patrick Madama Director	various	✓					0	0	0	
Dr. Joann LaPerla-Morales Director	various	✓					0	181,271	20,029	
Charles T Larsson Director	various	✓					0	0	0	
Brian F Legg Director	various	✓					0	0	0	
Herbert L Lipman Director	various	✓					0	0	0	
Frank Lucchesi Director	various	✓					0	0	0	
Biagio Madaio Director	various	✓					0	0	0	
Michael A Maroney Director	various	✓					0	0	0	
Terry C McGlincy Director	various	✓					0	140,211	25,866	
Owen P McKenna Director	various	✓					0	0	0	
John P Mulkerin Director	various	✓					0	0	0	
Eileen K Palumbo Director	various	✓					0	0	0	
Anthony J Passannante Sr, MD Director	various	✓					0	0	0	
Susan K Perkins Director	various	✓					0	134,945	25,866	
Patrick Piegari, Ed D Director	various	✓					0	0	0	

FINANCIAL STATEMENTS

Middlesex County College Foundation, Inc.
Years Ended June 30, 2009 and 2008
With Report of Independent Auditors

Middlesex County College Foundation, Inc.

Financial Statements

Years Ended June 30, 2009 and 2008

Contents

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Ernst & Young LLP
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Iselin NJ 08830-0471
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Report of Independent Auditors

The Board of Directors
Middlesex County College Foundation, Inc.

We have audited the accompanying statements of financial position of Middlesex County College Foundation, Inc. (the "Foundation") as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Foundation. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Middlesex County College Foundation, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

January 6, 2010

Middlesex County College Foundation, Inc.

Statements of Financial Position

	June 30	
	2009	2008
Assets		
Cash and cash equivalents	\$ 692,558	\$ 1,885,639
Investments	7,518,759	6,754,113
Receivables:		
Pledges	88,965	1,181,376
Interest and other accounts receivable	77,127	229,908
Special events	11,356	7,971
Total receivables	<u>177,448</u>	<u>1,419,255</u>
Prepaid expenses and other assets	3,680	8,500
Equipment (net of accumulated depreciation of \$61,074 in 2009 and \$83,717 in 2008)	5,461	9,260
Total assets	<u>\$ 8,397,906</u>	<u>\$ 10,076,767</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 63,231	\$ 75,007
Deferred revenue	5,610	12,200
Scholarships/financial aid/grants payable – due to Middlesex County College	577,570	626,157
Due to Middlesex County College	232	10,935
Total liabilities	<u>646,643</u>	<u>724,299</u>
Net assets (deficit):		
Unrestricted	(1,236,343)	(403,061)
Temporarily restricted	1,553,995	880,456
Permanently restricted	7,433,611	8,875,073
Total net assets	<u>7,751,263</u>	<u>9,352,468</u>
Total liabilities and net assets	<u>\$ 8,397,906</u>	<u>\$ 10,076,767</u>

See accompanying notes.

Middlesex County College Foundation, Inc.

Statements of Activities

	Year Ended June 30, 2009			Year Ended June 30, 2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support								
Contributions	\$ 55,264	\$ 287,482	\$ 88,199	\$ 430,945	\$ 9,467	\$ 228,420	\$ 1,097,539	\$ 1,335,426
Investment income	180,133	-	-	180,133	343,331	388,877	-	732,208
In-kind rent income	11,687	-	-	11,687	4,800	-	-	4,800
Special events (net of direct costs of \$62,931 in 2009 and \$57,956 in 2008)	137,955	-	-	137,955	147,796	-	-	147,796
	385,039	287,482	88,199	760,720	505,394	617,297	1,097,539	2,220,230
Transfer to Board Designated net assets	-	1,299,646	(1,299,646)	-	-	-	-	-
Transfer to unrestricted net assets for operations	352,829	(352,829)	-	-	-	-	-	-
Donor release of lost endowment value	197,157	-	(197,157)	-	-	-	-	-
Further releases for subsequent years' grants	-	32,858	(32,858)	-	-	-	-	-
Net assets released from restrictions for programs	593,618	(593,618)	-	-	651,518	(651,518)	-	-
Total revenues, gains and other support	1,528,643	673,539	(1,441,462)	760,720	1,156,912	(34,221)	1,097,539	2,220,230
Expenses and losses								
Scholarships/financial aid/grants	588,368	-	-	588,368	651,519	-	-	651,519
General and administrative	592,935	-	-	592,935	738,737	-	-	738,737
Realized loss on investments	729,059	-	-	729,059	981,886	-	-	981,886
Net unrealized loss on investments	451,563	-	-	451,563	157,006	-	-	157,006
Total expenses and losses	2,361,925	-	-	2,361,925	2,529,148	-	-	2,529,148
Change in net assets	(833,282)	673,539	(1,441,462)	(1,601,205)	(1,372,236)	(34,221)	1,097,539	(308,918)
Net assets (deficit), beginning of year	(403,061)	880,456	8,875,073	9,352,468	969,175	914,677	7,777,534	9,661,386
Net assets (deficit), end of year	\$ (1,236,343)	\$ 1,553,995	\$ 7,433,611	\$ 7,751,263	\$ (403,061)	\$ 880,456	\$ 8,875,073	\$ 9,352,468

See accompanying notes

Middlesex County College Foundation, Inc.

Statements of Cash Flows

	Year Ended June 30	
	2009	2008
Cash flows from operating activities		
Change in net assets	\$(1, 601,205)	\$ (308,918)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	4,659	5,761
Net unrealized loss on investments	451,563	157,006
Changes in operating assets and liabilities:		
Accrued interest receivable and other assets	152,781	(173,929)
Special events receivable, net	(3,385)	2,605
Pledges receivable, net	1,092,411	(856,799)
Prepaid expenses and other assets	4,820	(5,423)
Accounts payable and accrued expenses	(11,776)	(17,082)
Deferred revenue	(6,590)	8,200
Due from/to Middlesex County College	(59,290)	(9,727)
Net cash provided by (used in) operating activities	<u>23,988</u>	<u>(1,198,306)</u>
Cash flows from investing activities		
Purchases of investments	(5,374,925)	(6,080,789)
Maturities and redemption of investments	4,158,716	8,908,998
Acquisition of equipment	(860)	(13,890)
Net cash (used in) provided by investing activities	<u>(1,217,069)</u>	<u>2,814,319</u>
Net (decrease) increase in cash and cash equivalents	(1,193,081)	1,616,013
Cash and cash equivalents, beginning of year	1,885,639	269,626
Cash and cash equivalents, end of year	<u>\$ 692,558</u>	<u>\$ 1,885,639</u>

See accompanying notes.

Middlesex County College Foundation, Inc.

Notes to Financial Statements

June 30, 2009

1. Organization and Summary of Significant Accounting Policies

Organization

Middlesex County College Foundation, Inc. (the "Foundation") was formed in 1966 for the purpose of soliciting and receiving contributions. All contributions received by the Foundation are treated in accordance with the donor's wishes and are for the benefit of Middlesex County College (the "College") and its students.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

A summary of the Foundation's significant accounting policies follows:

Investments

Investments are recorded at fair value, which is determined by reference to quoted market prices. The net unrealized and realized gains on investments are included in the statements of activities. Investment income consists of interest and dividends and is included in the increase in unrestricted net assets unless the income is restricted by donor or law.

Donated investments are recorded at the fair market value at the date of gift. Net investment income is recorded in the appropriate net asset class depending upon the existence or absence of donor-imposed restrictions.

Pledges Receivable

The Foundation receives, as pledges receivable, unconditional promises to give from various donors. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value.

Deferred Revenue

The Foundation records deferred revenue related to prepayments received for fall fund-raising events.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Net Asset Classification

The Foundation separately accounts for and reports upon donor restricted and unrestricted net assets. Unrestricted net assets consist of revenues available for the support of the Foundation's operations. Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific period or purpose and relate to funds raised for various scholarships. Permanently restricted net assets are those whose use is permanently limited by the donor and are to be held in perpetuity. Resources arising from the results of operations or assets set aside by the Board of Directors are not considered to be donor restricted.

Contributions

Contributions are recorded by the Foundation at net realizable value at the time an unconditional promise to give is made. Gifts of long-lived assets are recorded at the fair value of the asset at the time the gift is made.

Equipment

Equipment consists of computer hardware and software and is stated at cost. Depreciation on equipment is computed on the straight-line basis over 3 to 10 years.

Cash Equivalents

The Foundation considers all highly-liquid investments with a maturity of three months or less at date of purchase to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Federal Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Standards

In September 2006, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 157, *Fair Value Measurements* (Statement 157). This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is to be applied when other standards require or permit the use of fair value measurement of an asset or liability. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Delayed application of SFAS 157 is permitted for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis, until fiscal years beginning after November 15, 2008. The Foundation’s adoption of SFAS 157 did not have a significant impact on its financial statements.

In February 2007, FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of FASB Statement No. 115* (Statement 159). Statement 159 permits all entities to choose to elect, at specified election dates, to measure eligible financial instruments, as defined in Statement 159, at fair value. The Foundation adopted Statement 159 effective July 1, 2008 and since the Foundation did not elect to measure any additional assets or liabilities at fair value, its adoption had no impact on the financial statements of the Foundation.

Effective July 1, 2008, the Foundation adopted the provisions of FASB Staff Position FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Assets Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act* (UPMIFA), and *Enhanced Disclosures for All Endowment Funds* (FSP 117-1). FSP 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA. FSP 117-1 also improves disclosures about an organization’s donor-restricted and board-designated endowment funds.

Effective March 9, 2009 New Jersey adopted “The Uniform Prudent Management of Institutional Funds Act” (UPMIFA),

Effective June 30, 2009, the Foundation adopted SFAS No. 165, *Subsequent Events* (Statement 165). Statement 165 establishes principles and requirements for subsequent events and applies to accounting for and disclosures of subsequent events not addressed in other applicable generally accepted accounting principles. The Foundation evaluated events subsequent to June 30, 2009 and through January 6, 2010, the date on which the financial statements were issued. The adoption of Statement 165 had no impact on the financial statements of the Foundation.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

2. Investments

Investments, reported at fair value, consisted of the following:

	June 30	
	2009	2008
Certificates of deposit	\$ 3,091,831	\$ —
Mutual funds	91,874	34,394
Common and preferred stock	2,023,946	2,833,853
U.S. Government obligations	538,704	1,657,529
Corporate bonds	1,772,404	2,228,337
	<u>\$ 7,518,759</u>	<u>\$ 6,754,113</u>

3. Fair Value Measurements

As described in Note 1, on July 1, 2008, the Foundation adopted the methods of calculating fair value defined in SFAS No. 157 to value its financial assets and liabilities, when applicable. SFAS No. 157 defines fair value as 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 and establishes a framework for measuring fair value. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements and does not require new fair value measurements. Fair value measurements are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

SFAS No. 157 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1:* Quote prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

- *Level 3:* Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the value hierarchy gives the lowest priority to Level 3 inputs. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value. Financial assets carried at fair value in the amount of \$7,518,759 as of June 30, 2009 are all classified as Level 1 category as described above.

4. Pension Plans

The Foundation offers a contributory defined contribution retirement plan covering substantially all employees. Contributions are invested with the Teacher's Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), investment carriers, which provide for the purchase of annuities for employees. The Foundation funds retirement costs accrued. The cost of the plans for the years ended June 30, 2009 and 2008 was \$25,040 and \$24,782, respectively.

5. Pledges Receivable

The Foundation receives restricted pledges under a fund-raising campaign, which the Foundation's management may use for the funding of scholarships/financial aid/grants, student programs and services, and alumni association support.

At June 30, 2009 and 2008, net pledges receivable consisted of the following:

	June 30	
	2009	2008
Pledges receivable before discount on multi-year pledges and allowance for uncollectible pledges	\$ 143,092	\$ 1,210,953
Less:		
Discount on multi-year pledges	(6,627)	(6,577)
Allowance for uncollectible pledges	(47,500)	(23,000)
Total	<u>\$ 88,965</u>	<u>\$ 1,181,376</u>

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

5. Pledges Receivable (continued)

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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. During 2009 and 2008, the Foundation used a discount rate of 2.8% and 2.5%, respectively.

6. Transactions with Affiliates

The Foundation regularly transfers funds to the College to be used for scholarships, financial aid and grants. During a given fiscal year, eligible students are identified by the Financial Aid Department of the College as meeting the varied criteria for receiving the funds. The monies are transferred to the College during the beginning of the subsequent fiscal year to cover credits to the students' accounts. During the fiscal years ended June 30, 2009 and 2008, such funds amounted to \$577,570 and \$651,518, respectively.

In addition, the College has in recent years paid certain administrative and miscellaneous expenses on behalf of the Foundation. The amounts owed to the College for such expenses at June 30, 2009 and 2008 were \$232 and \$10,935, respectively. During the year the College ceased charging the Foundation for certain office expenses, resulting in cost reductions of \$6,887 to the Foundation. This amount has been recorded as unrestricted contribution income and general and administrative expense in the statements of activities.

The College provides office space to the Foundation, at no cost. The fair market rental value of the contributed space was \$4,800 for the years ended June 30, 2009 and 2008, and has been recorded as unrestricted contribution income and rent expense in the statements of activities.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for purposes that will benefit the College and its students and amounted to \$1,553,995 and \$880,456 at June 30, 2009 and 2008, respectively. During 2009 and 2008, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes in the amount of \$221,431 and \$651,518, respectively. It was also decided to utilize Board Designated net assets of \$372,187 to meet the balance of obligatory disbursements for grants and scholarships.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

8. Permanently Restricted Net Assets

Permanently restricted net assets are restricted by the donors for student aid. Income from permanently restricted net assets is designated as per donor intent and the Foundation's most current spending policy. In recent years the Foundation has attempted to include as annual scholarships and grants an amount equal to 5% of the net assets permanently restricted.

The nation-wide economic recession resulted in a 12% decrease in the value of the Foundation's permanently restricted scholarship and other funds in FY09. The Foundation's Board of Trustees and Directors voted to create a new Board Designated Fund (emergency fund) to offset immediate programmatic and operational funding shortfalls in FY09. Members of the Foundation's Board of Trustees and Directors released from permanent restriction, their historic personal gifts to the Foundation's general endowment to grow the new fund. Released funds were reclassified as temporarily restricted funds and redirected to the Board Designated Fund. The purpose was to make it possible to both honor scholarship and financial aid commitments made in FY08 for FY09 and absorb the lost value of 75 otherwise "underwater" named endowed funds.

Because of the continued decline in value of investment assets in FY09, it became clear that the Board Designated Fund alone could not make up for the lost value of "underwater" named endowed funds. The Foundation's Board agreed that a new Endowment Spending Policy was needed to replace the historic 5% endowment spending policy with one better suited for today's uncertain economic environment. The new policy is designed to both protect the Foundation's ability to operate and advance its mission while making more realistic and prudent scholarship, financial aid and grant commitments. The policy was formally approved at the April 30, 2009 Board meeting.

Also, the Foundation's Trustees and Directors realized the importance of accumulating a substantial ongoing balance in the Board Designated (Emergency) Fund. The Foundation identified certain major donors who had given substantial gifts to the Foundation's General Endowment Fund and who were deeply committed to the mission of the Foundation. These donors were asked to consider releasing, in writing, a portion of or all of their historic gifts to the fund and redirect them to the temporarily restricted Board Designated Fund. These releases, when combined with those of the Foundation's Trustees and Directors, resulted in a total of \$1.376 million being released to the Board Designated Fund during FY09.

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

8. Permanently Restricted Net Assets (continued)

The Foundation follows the requirements of UPMIFA as it relates to permanently restricted contributions. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner to provide that sufficient assets are available as a source of liquidity for the intended use of the funds, achieve the optimal return possible within the specified risk parameters, prudently invest assets in a high-quality diversified manner and adhere to the established guidelines.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation's permanently restricted endowment funds are managed according to endowment and similar fund policies that guide investment of donations, spending and distribution of total return investment income. The policies also provide the guidelines for setting the annual endowment spend rate or actual income on the current fair value of investments if the corpus is below the value of the original endowment donation and the treatment of any investment returns in excess of the annual spending rate. The endowment spend rate is calculated on the year-end average three-year rolling market value of each endowed fund. Any excess investment returns beyond the spending rate, to the extent available, may either remain unrestricted or be added to the temporarily restricted Board Designated Fund and classified appropriately.

The Foundation distributes the investment income earned on the endowment funds as required for the donor-restricted purpose of the endowment assets held in perpetuity.

9. Unrestricted Deficit in Net Assets

From time to time, the fair value of assets associated with both general endowment and individual named endowment funds may fall below the level of the original principal donation. In some cases, donors of named endowed funds have agreed, in writing, to release from restriction the difference between the historic value and the current value of the fund. This has

Middlesex County College Foundation, Inc.

Notes to Financial Statements (continued)

9. Unrestricted Deficit in Net Assets (continued)

the effect of creating a new historic value of the fund. Such donor releases that are reported in unrestricted net assets were \$197,157 as of June 30, 2009. It should be noted that the combined realized and unrealized losses as of June 30, 2009 amounted to \$1,180,622. Because accounting policies require that any decrease in investment value of permanently restricted assets be accounted for in the unrestricted fund, the Foundation's unrestricted net deficit as of June 30, 2009 was \$1,236,343 . These deficiencies resulted from unprecedented market fluctuations. The Foundation is not required to restore deficiencies in permanently restricted endowed funds, but will, as required, make prudent decisions on use of the income of such funds. Such income, if not used currently, may be added to the principal of the funds in the future.

10. Subsequent Event

On December 11, 2009 the Foundation was awarded a principal gift commitment of \$1,000,000 from the Willard, T.C. Johnson Foundation, Inc. The gift is directed toward the Foundation's Scholarship Endowment Fund. \$500,000 has been received as an outright gift. The remaining \$500,000 is structured as a challenge grant to stimulate new major giving commitments to the Foundation. Every new dollar donated to the Foundation for scholarships will be matched with another dollar up to a total of \$500,000.