

Trident Technical College Foundation, Inc.

Report on Financial Statements

For the years ended June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Trustees
Trident Technical College Foundation, Inc.
Charleston, South Carolina

Opinion

We have audited the accompanying financial statements of Trident Technical College Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date of the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audit.



Charleston, South Carolina
September 24, 2025

Trident Technical College Foundation, Inc.

Statements of Financial Position

As of June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 526,694	\$ 928,579
Contributions receivable, net	3,478,085	3,166,561
Grant receivable, net	-	676,716
Prepaid expenses	30,154	19,636
Investments	19,522,726	16,707,146
Total assets	<u><u>\$ 23,557,659</u></u>	<u><u>\$ 21,498,638</u></u>
Liabilities and Net Assets		
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 204,183	\$ 201,634
Total liabilities	<u><u>204,183</u></u>	<u><u>201,634</u></u>
<i>Net assets</i>		
Without donor restrictions	7,065,936	5,935,085
With donor restrictions	16,287,540	15,361,919
Total net assets	<u><u>23,353,476</u></u>	<u><u>21,297,004</u></u>
Total liabilities and net assets	<u><u>\$ 23,557,659</u></u>	<u><u>\$ 21,498,638</u></u>

See Notes to Financial Statements

Trident Technical College Foundation, Inc.

Statements of Activities

For the years ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support						
Contributions and grants, net	\$ 151,303	\$ 1,284,500	\$ 1,435,803	\$ 125,377	\$ 2,069,394	\$ 2,194,771
Interest and dividends, net	257,157	57,197	314,354	18,340	57,637	75,977
Net unrealized and realized gains on investments	877,804	480,913	1,358,717	1,145,417	688,523	1,833,940
Special events, net	461,809	-	461,809	743,723	-	743,723
Subtotal	1,748,073	1,822,610	3,570,683	2,032,857	2,815,554	4,848,411
Net assets released from restrictions:						
Transfers of funds	(242,788)	242,788	-	(85,356)	85,356	-
Program/time restrictions satisfied	1,139,777	(1,139,777)	-	927,028	(927,028)	-
Total revenue, gains and other support	2,645,062	925,621	3,570,683	2,874,529	1,973,882	4,848,411
Expenses						
Program	1,170,588	-	1,170,588	1,027,884	-	1,027,884
Management and general	294,191	-	294,191	287,256	-	287,256
Fundraising	49,432	-	49,432	41,416	-	41,416
Total expenses	1,514,211	-	1,514,211	1,356,556	-	1,356,556
Increase in net assets	1,130,851	925,621	2,056,472	1,517,973	1,973,882	3,491,855
Net assets, beginning of year	5,935,085	15,361,919	21,297,004	4,417,112	13,388,037	17,805,149
Net assets, end of year	\$ 7,065,936	\$ 16,287,540	\$ 23,353,476	\$ 5,935,085	\$ 15,361,919	\$ 21,297,004

See Notes to Financial Statements

Trident Technical College Foundation, Inc.

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Increase in net assets	\$ 2,056,472	\$ 3,491,855
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net unrealized and realized gains on investments	(1,358,717)	(1,833,940)
Reinvestment of interest and dividends, net	(314,354)	(75,977)
Change in discount - contributions and grant receivables	(111,451)	(73,415)
Cash contributions and transfers of permanently restricted funds for endowments	(155,508)	(249,750)
Changes in accrued and deferred amounts:		
Contributions receivable	(223,357)	446,104
Grant receivable	700,000	(700,000)
Prepaid expenses	(10,518)	17,493
Accounts payable and accrued expenses	2,549	43,317
Net cash provided by operating activities	<u>585,116</u>	<u>1,065,687</u>
Investing activities		
Proceeds from sale of investments	150,676	52,747
Purchases of investments	(1,293,185)	(599,122)
Net cash used for investing activities	<u>(1,142,509)</u>	<u>(546,375)</u>
Financing activities		
Cash contributions and transfers of permanently restricted funds for endowments	155,508	249,750
Net cash provided by financing activities	<u>155,508</u>	<u>249,750</u>
Net (decrease) increase in cash and cash equivalents	(401,885)	769,062
Cash and cash equivalents, beginning of year	928,579	159,517
Cash and cash equivalents, end of year	<u>\$ 526,694</u>	<u>\$ 928,579</u>

See Notes to Financial Statements

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies

Nature of business:

Trident Technical College Foundation, Inc. (the "Foundation"), a component unit of Trident Technical College (the "College"), was incorporated in July 1975 under the laws of South Carolina as an educational and charitable foundation. The mission of the Foundation is to advocate and raise funds for the College in support of the region's economy.

The Foundation is supported principally through contributions from individuals and corporations, grants, and earnings on investments.

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Net assets:

The Foundation's net assets are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time (that is, when a stipulated time restriction ends or purpose restriction is accomplished). Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Programs and services:

Student Scholarships - The Foundation made scholarship awards to 545 and 476 students totaling \$512,766 and \$466,717 in the years ended June 30, 2025 and 2024, respectively. Scholarships help offset the cost of tuition, fees, and books. The scholarship funds, supported by individuals, businesses, and other foundations, are competitive and based on criteria established by the donors and the Foundation. As of June 30, 2025 and 2024, the Foundation administered a total of 153 and 152 scholarship funds, 47 and 46 of which are permanently restricted, respectively.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Programs and services, continued:

Tuition Assistance/Credit Course Reimbursement Program - The Foundation provides partial financial support, up to an annually budgeted amount, for full-time permanent employees of the college to take credit or continuing education courses at the college or other accredited institutions of higher education. All programs are based on availability of funds. For the fiscal years ended June 30, 2025 and 2024, \$20,751 and \$14,487 were awarded as part of these professional development programs, respectively.

Student Urgent Needs Fund - The Student Urgent Needs fund was created to assist students in good standing who experience an unforeseen financial emergency which would otherwise prevent them from continuing to attend the college. Students must meet all eligibility requirements and receive approval from the selection committee. For the fiscal years ended June 30, 2025 and 2024, \$9,504 and \$9,694 was awarded in student urgent needs funding assistance from the Foundation, respectively.

Awards and Prizes - The Foundation provides a variety of awards and prizes designed to celebrate outstanding achievements, innovation, and leadership among College students, faculty, and staff. For the fiscal years ended June 30, 2025 and 2024, \$8,907 and \$9,300 in awards and prizes were provided from the Foundation, respectively.

Revenue recognition:

In accordance with ASC 606, revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration the Foundation expects to receive in exchange for those products or services. Contracts are analyzed with the following steps: (i) identify the contract with the customer; (ii) determine whether the promised goods or services are separate performance obligations in the contract; (iii) determine the transaction price, including considering the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract based on the standalone selling price or estimated standalone selling price of the good or service; and (v) recognize revenue when (or as) each performance obligation is satisfied.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Revenue recognition, continued:

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC 606. Revenue is allocated to each performance obligation as the related performance obligation is satisfied, if applicable, as noted below.

Contributions/Grants - Contributions and grants that are with or without donor restrictions are earned and recognized when the donation is received or unconditionally pledged, as long as there is no performance requirement attached to the contribution or grant. In the instance where there is a performance obligation attached to the contribution or grant, the portion that is attached to a performance requirement is recorded as deferred revenue until it is earned when the performance requirement is met, while the portion that is considered to be a contribution or grant is recorded as revenue when received or unconditionally pledged.

Contributions and grants received are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Special events revenue - Special events revenue is recorded and recognized on the day of the event at a point in time. Any payment received before the event (tickets and sponsorship) is recorded as advanced deposits and released at the time of the event. Special events revenue is shown net of expenses. Expenses were \$219,409 and \$237,907 for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, there was \$6,500 in deferred revenue related to future special events recorded in accounts payable and accrued expenses on the Statements of Financial Position. There were no advanced deposits as of June 30, 2024.

Cash and cash equivalents:

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except cash temporarily held in its long-term investment portfolio, which is excluded.

Availability of funds for general expenditures:

The Foundation has certain net assets that are available for general expenditures within one year of June 30, 2025 and 2024 on conducting the normal activities of its programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the assets available to meet general expenditures within one year (See Note 2).

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Contributions and grant receivables:

Contributions and grant receivables are recognized as revenues in the period pledged and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions and grant receivables are recognized only when the conditions on which they depend are substantially met and the receivables become unconditional.

The Foundation uses the allowance method to account for uncollectible contributions and grant receivables. The allowance is based on management's estimate of the collectability of the receivables and historical experience. The allowance as of June 30, 2025 and 2024 is \$5,000 for contributions receivable. There is no allowance for the grant receivable as of June 30, 2025 and 2024.

Contributions and grant receivables are recorded at the net present value of their estimated future cash flows (i.e., net of a present value discount), using a discount rate range between 3.25% and 8.50%.

Investments:

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are carried at fair market value. Investment income or loss (including gains and losses on investment, interest, and dividends) is included in the Statements of Activities as increases or decreases in net assets without donor restrictions, unless the income or loss is specifically restricted by donor or law.

Unrealized gain or loss on marketable securities is the difference between fair value and cost of investments held at the measurement date. Gains and losses on sales of marketable securities are determined on the trade date using the specific identification method.

Investment income is reported net of related expenses, such as investment management fees, custodial fees and interest expense on investment borrowings. Interest income is recognized as earned. Dividends are recognized on the ex-dividend date.

Investment pools:

The Foundation maintains master investment accounts for its individual accounts. Realized and unrealized gains and losses and income from securities in the master investment accounts are allocated periodically to the individual accounts based on the relationship of the market value of each individual account to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts. Allocated investment income and gains/losses with restrictions based on original donation are reported as increases/decreases in net assets with donor restrictions in the Statements of Activities.

Property and equipment:

Property and equipment purchased by the Foundation for use by the College is donated to the College for insurance and control purposes. These items are recorded as expenditures at the time of purchase. The Foundation had no property and equipment as of June 30, 2025 and 2024.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Contributed nonfinancial assets:

Contributed nonfinancial assets are recognized as revenue with or without donor restrictions. Nonfinancial assets can include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, and services. The Foundation measures and reports contributions of nonfinancial assets at the estimated fair value in the financial statements. No contributions of nonfinancial assets were recorded for the years ended June 30, 2025 and 2024.

Donated services are recognized as contributions at their estimated fair value in accordance with GAAP, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation benefits from the work of many volunteers, but their services did not meet the required criteria to be recorded. Accordingly, no donated services were recorded for the years ended June 30, 2025 and 2024.

Endowment funds:

During the year ended June 30, 2009, South Carolina adopted the State Prudent Management of Institutional Funds Act ("SPMIFA"). The Board of Trustees of the Foundation has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions subject to perpetual restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions subject to perpetual restrictions is classified as net assets with donor restrictions subject to passage of time and specific purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Endowment funds, continued:

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to maximize returns within reasonable and prudent levels of risk while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index or similar established broad market measures of return on investments. Overall, the Foundation expects the annual average rate of return to meet or exceed the spending policy of 4 percent.

Strategies Employed for Achieving Objectives - 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 an emphasis on equity-based investments, real estate investment trusts, bond funds and real estate asset funds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's rolling average fair value over the five years preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of five to eight percent annually. This is consistent with the Foundation's objective to seek long-term growth of capital to maintain the purchasing power of the investment assets in perpetuity and to meet the needs of the Foundation's distribution policy.

Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determinations of the allowance for uncollectible pledges and fair value of investments. It is at least reasonably possible that a change in these estimates will occur in the near term.

Transfers and releases of net assets:

Transfers or releases are made between net assets with donor restrictions and without donor restrictions when a donor requests that his past donations be redirected for specific purposes, when restrictions expire, or when cash is received for contributions receivable. Any transfers or releases are reported on the Statements of Activities when they occur.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Income taxes:

The Foundation is exempt from federal income tax under Section 501(c)(3) of the IRC. However, any income from activities not directly related to the Foundation's tax-exempt purpose would be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a). Tax exempt status arises from the fact that the Foundation's sole reason for existence is as a support organization for the College.

GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. GAAP also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, and disclosure.

Management evaluated the Foundation's tax positions and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance for the years ended June 30, 2025 and 2024. The Foundation's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest income and to report penalties as other expense. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for fiscal years ended before June 30, 2022.

Expense allocation:

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities and in Note 12. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses of the Foundation include:

Program expenses - Program expenses include support for the College.

Management and general expenses - Management and general expenses include the general, administrative, and operating costs of the Foundation.

Fundraising expenses - These expenses include direct and indirect activities undertaken to solicit contributions from donors.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies, Continued

Expense allocation, continued:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated and the method of allocation include:

<u>Expense Type</u>	<u>Method of Allocation</u>
Administrative services and facilities reimbursements	Time and effort
Other expenses	Direct costs to general/administrative and fundraising

Recently issued accounting pronouncements:

Other accounting standards that have been issued or proposed by the Financial Accounting Standards Board ("FASB") or other standards-setting bodies are not expected to have a material impact on the Foundation's net assets or changes in net assets.

Subsequent events:

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 24, 2025, the date the financial statements were available to be issued.

Note 2. Availability and Liquidity

Assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Statements of Financial Position date of June 30, 2025 and 2024, are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Assets at year-end	\$ 23,557,659	\$ 21,498,638
Less amounts not available to be used within one year due to liquidity:		
Contributions receivable, net – due after one year	(2,788,365)	(2,432,801)
Grant receivable, net – due after one year	-	(476,716)
Prepaid expenses	(30,154)	(19,636)
Illiquid investments	<u>(515,049)</u>	<u>(488,084)</u>
	<u>(3,333,568)</u>	<u>(3,417,237)</u>
Less amounts not available to be used within one year due to:		
Donor designations:		
Endowed funds, net of spendable amounts and administrative fees	<u>(6,680,090)</u>	<u>(6,182,844)</u>
Assets available to meet cash needs for general expenditures within one year	<u>\$ 13,544,001</u>	<u>\$ 11,898,557</u>

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 2. Availability and Liquidity, Continued

As part of its liquidity plan, the Foundation has a policy to structure its assets to be available as its general expenditures, liabilities and other obligations become due. The Foundation invests excess cash in short-term investments, including money market accounts, and has the ability to redeem certain investments as necessary to meet its obligations.

Note 3. Contributions and Grant Receivables, Net

The Foundation has recognized contributions receivable to be collected as follows as of June 30:

	2025	2024
Receivable in less than one year	\$ 694,720	\$ 703,760
Receivable in one to five years	2,434,000	2,021,833
Receivable in more than five years	<u>758,353</u>	<u>825,000</u>
	3,887,073	3,550,593
Less: allowance	(5,000)	(5,000)
Less: discount to net present value	<u>(403,988)</u>	<u>(379,032)</u>
Net contributions receivable	<u>\$ 3,478,085</u>	<u>\$ 3,166,561</u>

The Foundation has recognized a grant receivable to be collected as follows as of June 30:

	2025	2024
Receivable in less than one year	\$ -	\$ 200,000
Receivable in one to five years	<u>-</u>	<u>500,000</u>
	-	700,000
Less: discount to net present value	<u>-</u>	<u>(23,284)</u>
Net grants receivable	<u>\$ -</u>	<u>\$ 676,716</u>

During the year ended June 30, 2025, the Foundation had an outstanding contribution receivable that was converted to a planned gift, which is not recognized until the donor is deceased, requiring a write off of \$70,000 in contributions receivable. There was no bad debt recorded for the year ended June 30, 2024.

In May 2024, the Foundation received an unconditional grant of \$1,000,000 from a major grantor. This grant was recognized as grant revenue for the year ended June 30, 2024. In the current year, the grantor refined the grant conditions converting the remaining amount to be paid into a conditional grant. The receipt of the remaining funds of \$500,000 is now conditional based on the Foundation meeting agreed upon metrics each year through June 30, 2029. As these conditions have not yet been met as of June 30, 2025, the receivable and previously recognized revenue were reversed in the current reporting period within contributions and grants, net, on the Statement of Activities. The grant will not be recognized as revenue until the conditions are met.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 4. Investments

Investments are comprised of the following at June 30, 2025:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 2,710,299	\$ 2,710,299
Fixed income		
Government obligations	950,638	958,062
Corporate obligations	745,064	751,010
Equities		
Domestic mutual funds	2,998,405	3,478,739
International mutual funds	836,207	1,013,347
Other individual equities	4,224,758	7,082,422
Alternative investment funds	1,715,049	1,938,300
Real estate asset funds/REITs	1,576,221	1,590,547
Total investments	<u>\$ 15,756,641</u>	<u>\$ 19,522,726</u>

Investments are comprised of the following at June 30, 2024:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 1,608,053	\$ 1,608,053
Fixed income		
Government obligations	951,008	927,362
Corporate obligations	751,371	727,176
Equities		
Domestic mutual funds	2,357,773	2,549,006
International mutual funds	1,208,745	1,217,715
Other individual equities	3,541,762	6,259,415
Alternative investment funds	1,688,083	1,740,856
Real estate asset funds/REITs	1,968,105	1,677,563
Total investments	<u>\$ 14,074,900</u>	<u>\$ 16,707,146</u>

Investment gains are comprised of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 373,205	\$ 130,743
Investment fees	(58,851)	(54,766)
Interest and dividends, net	<u>314,354</u>	<u>75,977</u>
Realized gains, net	253,892	70,275
Unrealized gains, net	1,104,825	1,763,665
Net unrealized and realized gains	<u>1,358,717</u>	<u>1,833,940</u>
Net investment gain	<u>\$ 1,673,071</u>	<u>\$ 1,909,917</u>

The Foundation believes, based on industry analyst reports and credit ratings, that the decrease in value is attributable to changes in market rates and is not in the credit quality of the issuer and, therefore, any losses are not considered other-than-temporary.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 5. Fair Value of Financial Instruments

The Foundation adopted *Fair Value Measurements* which provides a framework for measuring and disclosing fair value under GAAP. *Fair Value Measurements* requires disclosures about the fair value of assets and liabilities recognized in the Statements of Financial Position in periods subsequent to initial recognition, whether the measurements are made on a recurring basis (for example, available-for-sale investment securities) or on a nonrecurring basis (for example, impaired loans).

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 or 2024.

Money market funds (level 1) - Valued at the settled balances as reported by the custodian in which the assets are held.

Individual equities, equity and fixed income mutual funds, REITs (level 1) - Valued at year end closing prices readily available in the active markets in which those securities are traded.

Real estate asset funds (level 3) - Valued at the NAV of units held by the Foundation at year end using the fair value of the fund provided by the external investment manager, which has been estimated using factors such as the financial condition of each investee, economic and market conditions affecting their operations, recent arm's-length transactions involving securities of the investee, the value of similar securities issued by companies in the same or similar businesses, and limited marketability of the portfolio.

Fixed income (level 2) - (Includes government bonds and securities, as well as corporate bonds) - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Investment partnerships and limited liability companies - Value is determined by the General Partner in accordance with the partnership agreement. The General Partner estimates the fair value of the Fund's investments in investment funds on the basis of the net asset value ("NAV") per share of the investment (or its equivalent), as a practical expedient, wherever the underlying investment manager's calculation of NAV is fair value based.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 5. Fair Value of Financial Instruments, Continued

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,710,299	\$ -	\$ -	\$ 2,710,299
Fixed income				
Government obligations	-	958,062	-	958,062
Corporate obligations	-	751,010	-	751,010
	<u>-</u>	<u>1,709,072</u>	<u>-</u>	<u>1,709,072</u>
Equities				
Domestic mutual funds	3,478,739	-	-	3,478,736
International mutual funds	1,013,347	-	-	1,013,347
Other individual equities	7,082,422	-	-	7,082,422
	<u>11,574,508</u>	<u>-</u>	<u>-</u>	<u>11,574,508</u>
Real estate assets funds/REITs	997,698	-	592,849	1,590,547
Total assets in the fair value hierarchy	<u>\$ 15,282,505</u>	<u>\$ 1,709,072</u>	<u>\$ 592,849</u>	<u>\$ 17,584,426</u>
Investments measured at NAV*				1,938,300
Total assets at fair value				<u>\$ 19,522,726</u>
	2024			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,608,053	\$ -	\$ -	\$ 1,608,053
Fixed income				
Government obligations	-	927,362	-	927,362
Corporate obligations	-	727,176	-	727,176
	<u>-</u>	<u>1,654,538</u>	<u>-</u>	<u>1,654,538</u>
Equities				
Domestic mutual funds	2,549,006	-	-	2,549,006
International mutual funds	1,217,715	-	-	1,217,715
Other individual equities	6,259,415	-	-	6,259,415
	<u>10,026,136</u>	<u>-</u>	<u>-</u>	<u>10,026,136</u>
Real estate assets funds/REITs	1,007,778	-	669,785	1,677,563
Total assets in the fair value hierarchy	<u>\$ 12,641,967</u>	<u>\$ 1,654,538</u>	<u>\$ 669,785</u>	<u>\$ 14,966,290</u>
Investments measured at NAV*				1,740,856
Total assets at fair value				<u>\$ 16,707,146</u>

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 5. Fair Value of Financial Instruments, Continued

(*) Certain investments that were measured at NAV per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The activity for Level 3 financial instruments for the years ended June 30 is as follows:

	<u>Real Estate Asset Funds</u>
Fair value as of June 30, 2023	\$ 745,627
Net realized/unrealized losses	<u>(75,842)</u>
Fair value as of June 30, 2024	669,785
Net realized/unrealized losses	<u>(76,936)</u>
Fair value as of June 30, 2025	<u>\$ 592,849</u>

Note 6. Net Asset Value Per Share

The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the table below as of June 30, 2025 and 2024.

<u>Investment</u>	<u>June 30, 2025</u>				
	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption</u>	<u>Notice Period</u>
Stepstone Private Markets Class I (b)	\$ 1,423,251	\$ -	Quarterly	Quarterly	
NB Crossroads Private Markets Fund V Advisory LP (a)	194,950	52,500	No redemptions permitted		
NB Crossroads Private Markets Fund VI Advisory LP (a)	<u>320,099</u>	<u>54,000</u>	No redemptions permitted		
	<u>\$ 1,938,300</u>	<u>\$ 106,500</u>			

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 6. Net Asset Value Per Share, Continued

Investment	June 30, 2024			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Stepstone Private Markets Class I (b)	\$ 1,252,773	\$ -	Quarterly	Quarterly
NB Crossroads Private Markets Fund V Advisory LP (a)	208,437	52,500	No redemptions permitted	
NB Crossroads Private Markets Fund VI Advisory LP (a)	<u>279,647</u>	<u>63,000</u>	No redemptions permitted	
	<u><u>\$ 1,740,856</u></u>	<u><u>\$ 115,500</u></u>		

- a) NB Crossroads Private Markets Fund V Advisory LP and NB Crossroads Private Markets Fund VI Advisory LP consist of direct investments in the equity of private companies and/or debt securities of operating companies and other credit instruments, private equity funds, newly formed portfolio funds, publicly listed private equity investments, and investments in business development companies.
- b) Stepstone Private Market Class I consists of investments in a diversified portfolio of private market assets across private equity, private debt, and real assets to achieve its objective of long-term capital appreciation and providing current income.

Note 7. Concentration of Credit Risk

The Foundation maintains its cash accounts at a local financial institution. Cash accounts are guaranteed in aggregate by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. From time to time, cash balances may exceed FDIC insured limits.

The Foundation maintains its investments at one brokerage firm. Accounts maintained at the brokerage firm are insured up to \$500,000 for securities, including a limit of \$250,000 on claims for cash, under the Securities Investor Protection Corporation ("SIPC"). At June 30, 2025 and 2024, the Foundation did not have additional coverage on amounts above the limits.

Management believes that the Foundation's investments do not represent significant concentrations of market risk. The Foundation's investment portfolio is adequately diversified among issuers and management believes that the Foundation has the ability to hold its investment portfolio during periods of temporary market decline.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 7. Concentration of Credit Risk, Continued

The Foundation is also subject to concentration of credit risk related to its contributions since most donors are in the coastal South Carolina area. This risk is limited due to the large number of contributors comprising the Foundation's contributor base.

Note 8. Endowments

The Foundation's endowment consists of approximately 50 individual funds established for academic scholarships, grants, and other academic purposes as stipulated by donors. Net assets with donor restrictions subject to perpetual restrictions consist of the portion of perpetual endowment funds that are required to be retained permanently either by explicit donor stipulation or by SPMIFA.

The Foundation includes as net assets with donor restrictions subject to perpetual restrictions (a) the original value of the cash gifts donated to the permanent endowment, (b) the original value of the subsequent cash gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The net assets subject to passage of time and specific purposes portion of perpetual endowment funds have purpose restrictions for the academic scholarships, grants, and other academic purposes as stipulated by donors. There are no funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

A donor-restricted endowment fund is considered to be underwater if the fair value of the fund is less than either the original gift amount required to be maintained by the donor or by law. At times, the Foundation may have individual donor-restricted endowment funds that are underwater. The Foundation has a policy that permits spending from underwater funds depending on the degree to which the fund is underwater, unless specifically prohibited by the donor or relevant laws and regulations. There were no funds considered to be underwater at June 30, 2025 or 2024.

The following depicts the net asset composition of the institutional endowment funds by type of fund as of the years ended June 30:

	2025	2024
Donor restricted endowment funds:		
Temporary position	\$ 3,475,227	\$ 3,009,135
Perpetual position	<u>3,527,463</u>	<u>3,371,954</u>
Total donor restricted endowment funds	<u><u>\$ 7,002,690</u></u>	<u><u>\$ 6,381,089</u></u>

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 8. Endowments, Continued

The following depicts the changes in endowments for the years ended June 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 6,381,089	\$ 6,381,089
Investment returns:			
Investment income, net	-	57,197	57,197
Realized/unrealized gains	-	480,913	480,913
Total investment returns	-	538,110	538,110
Contributions, net cash basis	-	138,379	138,379
Transfers	-	111,094	111,094
Release of restrictions	165,982	(165,982)	-
Board approved withdrawals, net	(165,982)	-	(165,982)
Endowment net assets, end of year	\$ -	\$ 7,002,690	\$ 7,002,690

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 5,474,920	\$ 5,474,920
Investment returns:			
Investment income, net	-	57,637	57,637
Realized/unrealized gains	-	688,523	688,523
Total investment returns	-	746,160	746,160
Contributions, net cash basis	-	165,755	165,755
Transfers	-	129,587	129,587
Release of restrictions	135,333	(135,333)	-
Board approved withdrawals, net	(135,333)	-	(135,333)
Endowment net assets, end of year	\$ -	\$ 6,381,089	\$ 6,381,089

In addition to the endowed funds above, the Foundation invests additional funds with and without donor restrictions. A reconciliation of the endowment to total investments per the Statements of Financial Position is as follows at June 30:

	2025	2024
Investments held outside the endowment for funds with or without donor restrictions	\$ 12,520,036	\$ 10,326,057
Investments held for the endowment	\$ 7,002,690	\$ 6,381,089
	\$ 19,522,726	\$ 16,707,146

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 9. Net Assets with Donor Restrictions

The Foundation has net assets with donor restrictions comprised of the following at June 30:

	2025	2024
Subject to expenditures for specific purpose:		
Scholarships and grants	\$ 9,260,913	\$ 8,101,560
Subject to passage of time:		
For years after June 30	168,411	264,348
Subject to passage of time and specific purposes:		
Scholarships and grants for years after June 30	1,024,382	925,132
Aeronautical training center fund for years after June 30	2,285,292	2,658,797
Subject to perpetual restrictions:		
Scholarships and grants	<u>3,548,542</u>	<u>3,412,082</u>
Total net assets with donor restrictions	<u>\$ 16,287,540</u>	<u>\$ 15,361,919</u>

Note 10. Related Parties

The Foundation received \$236,256 and \$191,750 in contributions and pledge payments from members of its Board of Trustees for years ended June 30, 2025 and 2024, respectively. The outstanding balance of contributions receivable from its Board members at June 30, 2025 and 2024 was \$14,100 and \$16,600, respectively.

At June 30, 2025 and 2024, the Foundation owed the College \$168,246 and \$176,577, respectively, as reimbursement for expenses paid by the College. These amounts are included in accounts payable and accrued expenses in the Statements of Financial Position.

Note 11. Cooperative Agreement

In April 2017, the Foundation entered into a revised cooperative agreement with the College signed by the Chairman of the College's governing board and the Chairman of the Foundation's board. This agreement can be terminated by either party with a six month written notice. The agreement is intended to preserve the status of the Foundation as an independent contractor and does not create any agency relationship between the Foundation and the College.

The Foundation has agreed to reimburse the College for office space, personnel, and other related expenses, with annual adjustments. Reimbursements were \$102,898 and \$89,765 in the years ended June 30, 2025 and 2024, respectively. The Foundation also provides a stipend to supplement the salary of the President of the College. In fiscal years ended June 30, 2025 and 2024, stipends totaled \$100,000 and \$122,694, respectively.

Trident Technical College Foundation, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 12. Expense Allocation

General and administrative expenses include those expenses that are not identifiable with any other specific function but provide for the overall support and direction of the Foundation. Grants to the College are for scholarships, enrichment activities, equipment, and other academic programs.

	<u>For the Year Ended June 30, 2025</u>			
	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Scholarships and grants	\$ 674,764	\$ -	\$ -	\$ 674,764
Other program expenses	371,702	-	-	371,702
Professional services	-	143,900	-	143,900
Administrative services and facilities reimbursements	24,122	30,604	48,172	102,898
Stipend	100,000	-	-	100,000
Other expenses	-	51,001	1,260	52,261
Meals and meetings	-	44,979	-	44,979
Bank charges	-	8,329	-	8,329
Lobbying	-	7,993	-	7,993
Director/officer liability insurance	-	7,367	-	7,367
President's Meeting	-	18	-	18
Total	<u>\$ 1,170,588</u>	<u>\$ 294,191</u>	<u>\$ 49,432</u>	<u>\$ 1,514,211</u>

	<u>For the Year Ended June 30, 2024</u>			
	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Scholarships and grants	\$ 643,049	\$ -	\$ -	\$ 643,049
Other program expenses	241,203	-	-	241,203
Stipend	122,694	-	-	122,694
Professional services	-	132,250	-	132,250
Administrative services and facilities reimbursements	20,938	28,809	40,018	89,765
Other expenses	-	57,632	1,398	59,030
Meals and meetings	-	41,880	-	41,880
Bank charges	-	10,584	-	10,584
Lobbying	-	8,994	-	8,994
Director/officer liability insurance	-	7,107	-	7,107
Total	<u>\$ 1,027,884</u>	<u>\$ 287,256</u>	<u>\$ 41,416</u>	<u>\$ 1,356,556</u>