

**SOUTH PIEDMONT COMMUNITY
COLLEGE FOUNDATION, INC.**

Audited Financial Statements

June 30, 2025 and 2024

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

Polkton, North Carolina

Audited

Financial Statements

As Of

June 30, 2025 and 2024

And For The Years Then Ended

*** * * * ***

CONTENTS

Independent Auditors' Report ..	Page	2 – 3
--	-------------	--------------

Financial Statements

Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements...	10 – 18

INDEPENDENT AUDITORS' REPORT



To the Board of Directors of
South Piedmont Community College Foundation, Inc.
Polkton, North Carolina

Opinion

We have audited the accompanying financial statements of **South Piedmont Community College Foundation, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 South Piedmont Community College Foundation, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Piedmont Community College Foundation, Inc. and to meet other ethical responsibilities in accordance with 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.

Prior Period Financial Statements

The financial statements as of and for the year ended June 30, 2024, were audited by Potter & Company, P.A. who merged with DMJPS PLLC as of July 1, 2025, and whose report dated August 23, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 **South Piedmont Community College Foundation, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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 South Piedmont Community College Foundation, Inc.'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 South Piedmont Community College Foundation, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

DMJPS, PLLC.

September 3, 2025
Concord, North Carolina

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS			
		<u>2025</u>	<u>2024</u>
CURRENT ASSETS			
Cash, unrestricted	\$	85,913	\$ -
Cash, restricted		1,937,005	1,629,279
Pledges receivable (net)		23,174	22,701
Other current assets		1,000	-
Due from related party		-	50,000
Investments		3,591,689	3,216,184
Total Current Assets		<u>5,638,781</u>	<u>4,918,164</u>
LONG-TERM ASSETS			
Real estate		<u>-</u>	<u>9,700</u>
TOTAL ASSETS	\$	<u><u>5,638,781</u></u>	\$ <u><u>4,927,864</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	<u>398,063</u>	\$ <u>3,109</u>
Total Current Liabilities		<u>398,063</u>	<u>3,109</u>
NET ASSETS			
Net assets without donor restrictions		550,791	657,659
Net assets with donor restrictions		<u>4,689,927</u>	<u>4,267,096</u>
Total Net Assets		<u>5,240,718</u>	<u>4,924,755</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>5,638,781</u></u>	\$ <u><u>4,927,864</u></u>

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**STATEMENT OF ACTIVITIES****For the Year Ended June 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 38,119	\$ 675,648	\$ 713,767
Grant income	-	456,868	456,868
Special events	121,893	-	121,893
Dividend and interest income, net of fees	42,322	66,906	109,228
In-kind donations	198,145	1,651,778	1,849,923
Unrealized gains (losses)	48,297	174,001	222,298
Realized gains (losses)	15,804	68,186	83,990
	464,580	3,093,387	3,557,967
Net assets released from restriction	2,670,556	(2,670,556)	-
Total Revenue and Reclassifications	3,135,136	422,831	3,557,967
EXPENSES			
Program	2,998,581	-	2,998,581
Management and general	145,403	-	145,403
Fundraising	98,020	-	98,020
Total Expenses	3,242,004	-	3,242,004
Increase (Decrease) in Net Assets	(106,868)	422,831	315,963
Net Assets at Beginning of Period	657,659	4,267,096	4,924,755
Net Assets at End of Period	\$ 550,791	\$ 4,689,927	\$ 5,240,718

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 58,054	\$ 92,750	\$ 150,804
Grant income	-	135,150	135,150
Special events	107,285	-	107,285
Dividend and interest income, net of fees	52,633	66,630	119,263
In-kind donations	171,130	-	171,130
Unrealized gains	56,143	195,649	251,792
Realized gains	9,250	18,861	28,111
	454,495	509,040	963,535
Net assets released from restriction	580,812	(580,812)	-
	1,035,307	(71,772)	963,535
Total Revenue and Reclassifications			
EXPENSES			
Program	729,913	-	729,913
Management and general	260,680	-	260,680
Fundraising	106,690	-	106,690
	1,097,283	-	1,097,283
Total Expenses			
Increase (Decrease) in Net Assets	(61,976)	(71,772)	(133,748)
Net Assets at Beginning of Period	719,635	4,338,868	5,058,503
Net Assets at End of Period	\$ 657,659	\$ 4,267,096	\$ 4,924,755

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
College programs	\$ 1,681,242	\$ -	\$ -	\$ 1,681,242
Grant expense	541,091	-	-	541,091
Capital & Infrastructure	507,056	-	-	507,056
Payroll expense	150,508	67,481	56,646	274,635
Scholarship awards	52,279	-	-	52,279
Marketing and community involvement	34,659	-	7,131	41,790
Professional fees	-	35,756	-	35,756
Rent expense	16,826	7,544	6,334	30,704
Special events	-	-	27,909	27,909
Office supplies	-	16,639	-	16,639
Miscellaneous	2,084	5,048	-	7,132
Recognitions and gifts	2,997	3,757	-	6,754
Emergency student assistance	6,479	-	-	6,479
Bad debt expense	-	4,435	-	4,435
Dues and subscriptions	3,360	-	-	3,360
Insurance	-	2,511	-	2,511
Meals and entertainment	-	1,023	-	1,023
Bank service charges	-	668	-	668
Taxes and licenses	-	541	-	541
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>2,998,581</u>	\$ <u>145,403</u>	\$ <u>98,020</u>	\$ <u>3,242,004</u>

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Bank service charges	\$ -	\$ 453	\$ -	\$ 453
Bad debt	-	2,960	-	2,960
College programs	4,843	-	-	4,843
Dues & subscriptions		3,725	-	3,725
Emergency student assistance	9,961	-	-	9,961
Fundraising & events	-	-	30,219	30,219
Grant expense	526,615	-	-	526,615
Insurance	-	2,277	-	2,277
Meals and entertainment	-	341	-	341
Marketing & community involvement	34,557	-	7,905	42,462
Miscellaneous	23,109	4,238	-	27,347
Office supplies	-	5,025	-	5,025
Payroll expense	63,814	191,441	63,814	319,069
Professional fees	-	35,150	-	35,150
Recognitions & gifts	5,846	336	-	6,182
Scholarship awards	56,416	-	-	56,416
Rent expense	4,752	14,257	4,752	23,761
Taxes and licenses	-	477	-	477
	<u>-</u>	<u>477</u>	<u>-</u>	<u>477</u>
Total Expenses	\$ <u>729,913</u>	\$ <u>260,680</u>	\$ <u>106,690</u>	\$ <u>1,097,283</u>

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 315,963	\$ (133,748)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Contributions restricted for endowment	(60,645)	(25,500)
Loss (gain) on disposal of fixed assets	9,700	-
Net unrealized (gain) loss on investments	(222,298)	(251,792)
Realized (gain) loss on investments	(93,690)	(28,111)
Bad debt expense	4,435	2,960
Changes in operating assets and liabilities:		
Increase in pledges receivable (net)	(473)	(2,902)
Increase in investments	(375,504)	(337,961)
(Increase) Decrease in other assets	(1,000)	2,866
Decrease (Increase) in due from related parties	50,000	(50,000)
Increase (Decrease) in accounts payable	394,954	(734)
	<u>21,442</u>	<u>(824,922)</u>
Net Cash Provided By (Used In) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment proceeds	<u>311,552</u>	<u>276,943</u>
Net Cash Provided By Investing Activities	<u>311,552</u>	<u>276,943</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	<u>60,645</u>	<u>25,500</u>
Net Cash Provided By Financing Activities	<u>60,645</u>	<u>25,500</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	393,639	(522,479)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>1,629,279</u>	<u>2,151,758</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ <u><u>2,022,918</u></u>	\$ <u><u>1,629,279</u></u>

See Independent Auditors' Report and Accompanying Notes

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 1 - NATURE OF ACTIVITIES

South Piedmont Community College Foundation, Inc. (the Foundation) is a not-for-profit organization founded in 1999. The Foundation is a separate organization affiliated with and serving only South Piedmont Community College (the College). The purpose of the Foundation is to provide funding to foster and promote the growth, progress, and general welfare in various areas of South Piedmont Community College. The Foundation support comes primarily from local businesses, individual donors, and other non-profit organizations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of South Piedmont Community College Foundation, Inc. (the Foundation) have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Foundation maintains its accounts in accordance with the principles of fund accounting. Under this method of accounting, resources for various purposes are classified into funds that are in accordance with activities specified by donors.

Restricted and Unrestricted Support

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of contributions without donor-imposed restrictions and related expenses associated with the core activities of the Foundation.
- With Donor Restrictions – net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Items that affect this net asset category are contributions for which donor-imposed restrictions have not been met in the year of receipt, including grants, pledges, and investment returns. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Foundation, including contributions and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily contributions for endowments) and that only the income be made available for program operations.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions and thus increases that net asset class. However, if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as support without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reporting of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from those estimates. Management believes its estimates are reasonable.

Contributions and Grants

South Piedmont Community College Foundation, Inc., recognizes contributions in the appropriate category of net assets when the funds are received. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Pledges receivables are stated at the estimated net present value, net of allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Revenue from government and private grants is recognized as received in accordance with the grant agreements, unless a right of return exists. Funding received in advance of expenditure, with a requirement to return unexpended funds to the donor, is recorded as a refundable advance on the statement of financial position. The Foundation had no refundable advances at June 30, 2025 and 2024.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires; that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Revenue Recognition

Revenue from Exchange Transactions: The Foundation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Foundation records the following exchange transaction revenue in its statements of activities for the years ending June 30, 2025 and 2024:

Special event revenue: The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant in the event – the exchange component, and a portion represents a contribution to the Foundation. The fair value of the meals and entertainment provided at special events is measured at the actual cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The performance obligation is the delivery of the event. The event fee is set by the Foundation. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligations. Accordingly, the Foundation

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

separately presents in its notes to the financial statements the exchange and contribution components of the gross proceeds from special events.

Donated Services, Facilities, and Gifts In Kind

The Foundation records amounts that are considered donated services at their fair market value. All employees of the Foundation are paid by South Piedmont Community College although a portion of their time is spent working for the Foundation. For the years ending June 30, 2025 and 2024 the College provided \$149,673 and \$129,864, respectively, in services.

The Foundation records amounts that are considered donated facilities at their fair market value. The fair market value is based on the fair market rental rate in Monroe, North Carolina. This amount includes utilities, cleaning, maintenance, and technical support. The Foundation uses facilities provided by South Piedmont Community College. The donated computer software is based upon actual amounts paid for the software by South Piedmont Community College. For the years ending June 30, 2025 and 2024, the College provided \$30,704 and \$23,761, respectively, in facilities and \$12,050 and zero in computer software, respectively.

The Foundation records amounts that are considered gifts in kind at their fair market value. For the years ended June 30, 2025 and 2024, the Foundation received \$1,657,496 and \$17,505 respectively in gifts in kind. Gifts in kind received by the Foundation are transferred to the College for use in its various programs which is consistent with the intent of the donors. During the June 30, 2025 year, the Foundation received an \$1,651,778 gift in kind contribution of training materials to be used in the curriculum of the College.

Expense Allocation

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of time spent by employees.

Fair Value

Fair value is defined as the price that the Foundation would receive upon selling an asset or pay to settle a liability in an orderly transaction between market positions.

The Foundation uses a framework for measuring fair value that includes a hierarchy that categorizes and 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) and the lowest priority to unobservable inputs (level 3). 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 maximize the use of relevant observable inputs

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Fair Value Measurements

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Fair Value Measurements

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets 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 methodologies used at June 30, 2025 and 2024.

Debt and equity securities: Valued at quoted market values based on an active market.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents, and restricted cash include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash, cash equivalents, and restricted cash approximates fair value because of the short maturities of those financial instruments.

Investments

Investments are recorded in the financial statements at estimated fair value. If an

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****For the Years Ended June 30, 2025 and 2024****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

investment is held directly by the Foundation and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Reported fair values for shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year and are classified in Level 1. The Foundation does not engage directly in unhedged speculative investments.

Pledges Receivable

Unconditional promises to give are recognized at fair value as private gift revenue in the period the promise is made by a donor. The fair value of the pledge is estimated based on anticipated future cash receipts (net of allowance for uncollectible amounts). These inputs to the fair value estimate are classified in Level 3 of the fair value hierarchy. In subsequent periods, the uncollectible amounts are reassessed and adjusted if necessary.

Income Tax Status

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. There is no provision for income taxes due on unrelated business income in fiscal year 2025 or 2024, and there are no uncertain tax positions considered to be material.

Subsequent Events

Management has evaluated subsequent events through September XX, 2025, the date the financial statements were available to be issued.

NOTE 3 - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts in the statements of cash flows as of June 30, 2025 and 2024.

	June 30, 2025	June 30, 2024
Cash and cash equivalents - unrestricted	\$ 85,913	\$ -
Cash and cash equivalents – restricted for:		
Endowed scholarships	387,956	237,042
Pass-through scholarships	96,830	139,695
Building renovations	504,138	455,789
Anson/Union scholarships	494,687	416,587
Instructional Excellence & equipment	239,812	115,636
Grants – various	213,582	264,530
Total restricted cash	1,937,005	1,629,279
Total Cash, Cash Equivalents, and Restricted Cash	\$ 2,022,918	\$ 1,629,279

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****For the Years Ended June 30, 2025 and 2024****NOTE 4 - PLEDGES RECEIVABLE**

Pledges receivable at June 30, 2025 and 2024 are shown as follows:

	June 30, 2025	June 30, 2024
Unconditional promises expected to be collected in:		
Less than one year	\$ 23,174	\$ 22,701
One year to five years	-	-
More than five years	-	-
	<u>23,174</u>	<u>22,701</u>
Less: Allowance for uncollectible pledges	-	-
Pledges receivable, net	<u>\$ 23,174</u>	<u>\$ 22,701</u>

Bad debt expense related to pledges receivable was \$4,435 and \$2,960 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5 - DUE FROM RELATED PARTY

Due from related party consists of a donor contribution held by South Piedmont Community College at June 30, 2024 that is intended to fund an endowment scholarship administered by the Foundation. The funds were remitted to the Foundation by the College in July 2024. There is no due from related party as of June 30, 2025.

NOTE 6 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Foundation considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure were as follows:

	June 30, 2025	June 30, 2024
Financial Assets:		
Cash and cash equivalents	\$ 85,913	\$ -
Pledges receivable, net	23,174	22,701
Short-term investments	<u>838,767</u>	<u>751,199</u>
Total financial assets available within one year	<u>947,854</u>	<u>773,900</u>
Liquidity resources	-	-
Total financial assets and liquidity resources available within one year	<u>\$ 947,854</u>	<u>\$ 773,900</u>

The Foundation manages its liquidity and reserves following these guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Foundation forecasts its future cash flows and monitors its liquidity on an ongoing basis.

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****For the Years Ended June 30, 2025 and 2024****NOTE 7 - INVESTMENTS**

Investments at June 30, 2025 and 2024 are comprised as follows:

	June 30, 2025	June 30, 2024
Global public equities:		
Mutual funds	\$ 2,253,044	\$ 2,008,714
Fixed income:		
Bond funds	1,338,645	1,207,470
Total investments	3,591,689	3,216,184
Real estate	-	9,700
Total Investments and Real Estate	\$ 3,591,689	\$ 3,225,884

Fair Value Hierarchy of Investments

Following is the fair value hierarchy of investments as of June 30, 2025:

	Level 1	Level 2	Level 3
Global public equities:			
Mutual funds	\$ 2,253,044	\$ -	\$ -
Fixed income:			
Bond funds	1,338,645	-	-
Total	\$ 3,591,689	\$ -	\$ -

Following is the fair value hierarchy of investments as of June 30, 2024:

	Level 1	Level 2	Level 3
Global public equities:			
Mutual funds	\$ 2,008,714	\$ -	\$ -
Fixed income:			
Bond funds	1,207,470	-	-
Real estate	-	-	9,700
Total	\$ 3,216,184	\$ -	\$ 9,700

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and external investment managers. Major investment decisions are authorized by the Board's Investment Committee, which oversees the Foundation's investment program in accordance with established guidelines.

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.**NOTES TO FINANCIAL STATEMENTS****For the Years Ended June 30, 2025 and 2024****NOTE 7 - INVESTMENTS - Continued**

A summary of investment earnings, net of expenses, is presented below for the years ended June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Interest	\$ 52,677	\$ 64,554
Dividends	75,208	71,580
Net realized and unrealized gains	315,988	279,903
Investment management fees	(18,657)	(16,871)
Investment earnings, net	\$ 425,216	\$ 399,166

NOTE 8 - SPECIAL EVENTS REVENUE

Gross receipts from special events recorded by the Foundation consist of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09 for the years ended June 30, 2025 and 2024, the Foundation is required to separately present the components of this revenue.

	June 30, 2025	June 30, 2024
Contributions	\$ 99,517	\$ 83,189
Special event revenue	22,376	24,096
Special events - gross	\$ 121,893	\$ 107,285

NOTE 9 - ENDOWMENTS

The Foundation's endowment consists of individual funds established for the Foundation's Student Access scholarship program. The endowment includes both donor-restricted "true" endowment funds and funds designated by the Board to function as endowment commonly referred to as "funds functioning as endowment" (FFE). Net assets associated with endowment funds, including funds functioning as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

For the fiscal years 2025 and 2024, there were a total of \$60,645 and \$25,500 endowed funds contributed to the Foundation, respectively. The Student Access fund balance as of June 30, 2025 and 2024 was \$3,732,395 and \$3,342,463, respectively.

SOUTH PIEDMONT COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2025 and 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Anson/Union scholarships	\$ 494,687	\$ 460,778
Endowed scholarships	3,140,878	2,727,172
Pass-through scholarships	96,830	154,513
Capital & infrastructure	504,138	504,138
Instructional Excellence - College programs & equipment	239,812	127,903
Grants – various	<u>213,582</u>	<u>292,592</u>
 Total Net Assets with Donor Restrictions	 \$ <u>4,689,927</u>	 \$ <u>4,267,096</u>

NOTE 11 - CONCENTRATIONS

South Piedmont Community College Foundation, Inc. is a community service organization which generates substantially all of its revenues from the Piedmont region of North Carolina and is therefore dependent upon the economy in that area.

South Piedmont Community College Foundation, Inc. is a community service organization which generates substantially all of its revenues from the Piedmont region of North Carolina and is therefore dependent upon the economy in that area. Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash accounts in multiple commercial banks located in North Carolina. Accounts at these banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts on deposit at various times through the year exceeded the federally insured limit. As of June 30, 2025 and 2024, the Foundation had \$1,558,873 and \$1,130,813 respectively, in excess of federally insured limits.