



SHARPE
PATELCPA

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.

Financial Statements

As of and for the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

Page

INDEPENDENT AUDITORS' REPORT	1
 Financial Statements:	
Statements of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statements of Cash Flow.....	6
Notes to the Financial Statements	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Guilford Technical Community College Foundation, Inc.
Jamestown, North Carolina

Opinion

We have audited the accompanying financial statements of Guilford Technical Community College Foundation, Inc., a nonprofit organization (the Foundation), which comprise the statement of financial position as of June 30, 2024, 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 Guilford Technical Community College Foundation, Inc. as of June 30, 2024, and the changes in net assets and its cash flows for the year 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 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 audit. 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 that the financial statements are available to be issued.

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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We previously audited Guilford Technical Community College Foundation, Inc.'s 2023 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated September 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sharpe Patel PLLC

Raleigh, North Carolina

September 11, 2024

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 140,793	\$ 75,000
Accounts Receivable	18,233	13,374
Promises to give due within one year, net of allowance for doubtful accounts of \$0 and \$0 for 2024 and 2023, respectfully	124,925	125,747
Investments - available for sale	17,160,165	15,398,873
Inventory	15,833	7,664
Prepaid expenses	119	285
Total current assets	17,460,068	15,620,943
Other assets:		
Promises to give due after one year, less discounts of \$261,450 and \$262,491 for 2024 and 2023, respectively	82,820	95,957
Investments - partnership and REIT interest	272,547	303,916
Land	1,686,743	1,604,153
Beneficial interest in charitable remainder trust	110,228	110,228
Total other assets	2,152,338	2,114,254
Total assets	\$ 19,612,406	\$ 17,735,197
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 78,368	65,010
Deferred revenue	-	1,300
Total liabilities	78,368	66,310
NET ASSETS		
Without donor restriction	9,700,974	9,206,690
With donor restriction	9,833,064	8,462,197
Total net assets	19,534,038	17,668,887
Total liabilities and net assets	\$ 19,612,406	\$ 17,735,197

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

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Without Donor Restriction	With Donor Restriction	Total	Total
SUPPORT AND REVENUES				
Contributions, net of discounts	\$ 66,849	\$ 1,088,990	\$ 1,155,839	\$ 630,772
Changes in beneficial interest in charitable remainder trust	-	-	-	(13,605)
Grants	-	310,355	310,355	235,000
Investment income, net	920,356	562,751	1,483,107	1,388,744
Miscellaneous income	1	7,813	7,814	6,538
Administrative services contributed by the college	258,467	-	258,467	246,325
Contributed materials and equipment	31,246	175,223	206,469	48,891
Total support and revenues	1,276,919	2,145,132	3,422,051	2,542,665
Net assets released from restrictions	774,265	(774,265)	-	-
Total support and revenues and net assets released from restrictions	2,051,184	1,370,867	3,422,051	2,542,665
EXPENSES				
Program services	1,166,958	-	1,166,958	838,179
Management and general	345,042	-	345,042	278,177
Fundraising	44,900	-	44,900	33,115
Total expenses	1,556,900	-	1,556,900	1,149,471
Change in net assets	494,284	1,370,867	1,865,151	1,393,194
Net assets at beginning of year	9,206,690	8,462,197	17,668,887	16,275,693
Net assets at end of year	<u>\$ 9,700,974</u>	<u>\$ 9,833,064</u>	<u>\$ 19,534,038</u>	<u>\$ 17,668,887</u>

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

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023	
	Program Services	Management and General	Fundraising	Total	Total
Student aid	\$ 554,193	\$ -	\$ -	\$ 554,193	\$ 474,057
College support	317,757	-	-	317,757	234,949
Grants	34,444	-	-	34,444	44,778
Promotional items	42,575	-	-	42,575	19,446
Discretionary spending/meals	26,863	4,062	-	30,925	20,670
Campaign expenses	-	-	14,100	14,100	13,995
Event expenses	15,903	-	30,800	46,703	30,960
Real estate expenses	-	(47,464)	-	(47,464)	(16,731)
Administrative expenses	-	90,284	-	90,284	54,479
Contributed services/materials expenses	175,223	258,557	-	433,780	280,095
Other/Contingency	-	39,603	-	39,603	(7,227)
Total expenses	\$ 1,166,958	\$ 345,042	\$ 44,900	\$ 1,556,900	\$ 1,149,471

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

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,865,151	\$ 1,393,194
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net realized and unrealized (gains) losses on investments	(1,145,103)	(1,025,510)
Change in value-beneficial interest in charitable remainder trust	-	13,605
Change in value-investments-partnership interests	31,369	(13,809)
Endowment contributions	(215,311)	(263,147)
Changes in assets and liabilities that provided (used) cash:		
Other receivables	(4,859)	45,835
Pledges receivables	13,959	31,450
Inventory	(8,169)	(7,664)
Prepaid expenses	166	(210)
Accounts payable	13,358	(217,022)
Deferred revenue	(1,300)	(9,168)
	549,261	(52,446)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of land	(82,590)	(39,613)
Purchases of investments, net	(616,189)	(480,627)
	(698,779)	(520,240)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Endowment contributions	215,311	263,147
	215,311	263,147
Net cash provided (used) by investing activities	(698,779)	(520,240)
Net increase (decrease) in cash and cash equivalents	65,793	(309,539)
Cash and cash equivalents at beginning of year	75,000	384,539
Cash and cash equivalents at end of year	\$ 140,793	\$ 75,000

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

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Guilford Technical Community College Foundation, Inc. (the “Foundation”) supports the programs of Guilford Technical Community College (the “College”) by providing scholarships and aid to students, soliciting and collecting donor contributions, assisting the College in developmental activities, and overseeing 164 (102 endowed) gift funds that provide financial support for new equipment, athletics, professional development, student travel and more in Guilford County, North Carolina and surrounding areas.

The Foundation was established in 1966 by the Guilford Technical Community College Board of Trustees to facilitate fundraising and promote awareness of the College. The Foundation qualifies for exemption from federal income taxes under section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported foundation by virtue of its status as a foundation operated for the benefit of a college that is part of a governmental unit.

The Foundation is supported primarily by contributions from the general public.

Consistent with the Community College Laws of North Carolina for nonprofit corporations whose sole purpose is to support the community college system, the College provides various resources and services to the Foundation. The management, fundraising, and administration of the Foundation are carried out by employees of the College. Office facilities for Foundation activities are also provided by the College. In addition, several of the financial functions of the Foundation are handled by, and processed through, the College’s Business Office.

Basis of Presentation

The statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The preparation of financial statements in conformity with generally accepted accounting principles (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 vary from the estimates that were assumed in preparing the financial statements.

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. This Standard established for external financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. Descriptions of the two net asset classes are as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and that are available for general operating expenses of the Foundation.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions as to the purpose, time of use, or maintained permanently by the Foundation.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting on the statement of cash flows, the Foundation considers all unrestricted, highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents, unless Board designated or donor-restricted for long-term purposes. Restricted cash in endowment funds are not considered a cash equivalent for the statement of cash flows, because it is designated for a restricted purpose. Cash designated or restricted for long-term purposes is classified as investments.

Accounts Receivable and Bad Debts

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. No provision has been made for bad debt on these financial statements as all amounts due at June 30, 2024 and 2023 were deemed collectible.

Investments – Available for Sale

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets in the statement of activities.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and are reported in the statements of activities as assets released from restrictions.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services, Materials, Equipment and Use of Facilities

Contributed services are recognized if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation's daily operating functions are carried out by several employees of the College.

The Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the year ended June 30, 2022. Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Foundation reports the donations as support without restriction, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Restricted Endowment Funds

The Foundation's endowment consists of 102 individual donor-restricted endowment funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in North Carolina in 2009, the Foundation's policy continues to require the preservation of original value of gifts donated to the permanent endowment. As such, losses on the investments do not reduce the original value of gifts to an endowment, and accumulated investment income is temporarily restricted until appropriated for use. Investment income and gains on endowment funds are allocated to the corresponding temporarily restricted scholarship fund. Those amounts are appropriated for expenditure by the Foundation when scholarships are awarded.

The Foundation classifies as net assets with permanent donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment that are required by the applicable donor gift instrument, if any. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Endowment Funds (Continued)

- (1) The duration and preservation of the fund
- (2) The purpose 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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies of this nature to be reported in net assets without donor restrictions at June 30, 2024 or 2023.

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 endowments 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 donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate market indices while assuming a moderate level of investment risk.

The spending rate for the permanently restricted endowment funds is at a rate approved annually by the Foundation Board based on an analysis of earnings over the preceding twelve quarters. 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 annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The established spending rate for the years ended June 30, 2024 and 2023 was 4.5% of the average of the previous twelve quarters' ending net asset values.

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.

Beneficial Interest in Charitable Remainder Trust

The Foundation recognizes the beneficial interest of gifts in irrevocable trusts in contributions and values the contribution and the corresponding asset at fair value. See Beneficial Interest in Charitable Remainder Trust on the Statement of Financial Position, as well as additional disclosure within Note E to the financial statements.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give Due After One Year

The Foundation recognizes the contributions from long-term promises to give at present value, with the discount amortized to contributions over the period during which collection is expected. See Note C to the financial statements for additional disclosure.

Fair Value Measurements

Accounting standards established a single definition of fair value and a framework for measuring fair value. The standard also expands disclosures about fair value measurements. Fair value is defined as, “the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. That is, fair value is based on an exit price, which may differ from the price paid to acquire the asset. If there is a principal market for the asset, fair value represents the price in that market.” See Note F to the financial statements for additional disclosure.

Functional Allocation of Expenses

The expenses of the Foundation have been reported on a functional basis in the statement of functional expenses. Expenses are charged to programs in a combination of direct expenses incurred and estimates of time and effort. Expenses are charged to management and general in a combination of direct expenses incurred, estimates of time and effort and supporting activities that are not directly identifiable with program or fundraising activities. Expenses are charged to fundraising in a combination of direct expenses incurred and estimates of time and effort.

Income Tax Status

The Foundation is exempt from income taxes as a not-for-profit organization under Internal Revenue Service (IRS) code section 501(c)(3). During the years ended June 30, 2024 and 2023, the Foundation paid taxes related to unrelated business activities in the amounts of \$0 and \$52,097, respectively.

The Foundation adopted the provisions of FASB ASC 740-10-25 Accounting for Uncertainty in Income Taxes. Under this provision, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation had no impact on the Foundation’s financial statements. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax years in progress. The Foundation believes it is no longer subject to income tax examinations for the years prior to 2020. As of June 30, 2024 and 2023, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

B. CONCENTRATION OF CREDIT RISK

In addition to FDIC insurance coverage on deposit accounts, the Foundation’s cash and cash equivalents are collateralized by Guilford Technical Community College’s deposit accounts at FDIC-insured banking institutions. As of June 30, 2024 and 2023, all cash balances were fully insured.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

C. PROMISES TO GIVE

Promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.33 to 5.52% (2024) and 3.97% (2023) based on treasury securities of comparable maturities. The Foundation periodically evaluates the balances of any significant past due amounts to determine if any balances are uncollectible. The statements of financial position carry an allowance for doubtful promises to give of \$0 and \$0 as of June 30, 2024 and 2023, respectively.

Promises to give consisted of the following at June 30, 2024:

	<u>Gross</u>	<u>Discount</u>	<u>Allowance</u>	<u>Net</u>
Receivable within one year	\$ 379,195	\$ (254,270)	\$ -	\$ 124,925
Receivable in one to five years	90,000	(7,180)	-	82,820
Receivable in greater than five years	-	-	-	-
Total	<u>\$ 469,195</u>	<u>\$ (261,450)</u>	<u>\$ -</u>	<u>\$ 207,745</u>

Promises to give consisted of the following at June 30, 2023:

	<u>Gross</u>	<u>Discount</u>	<u>Allowance</u>	<u>Net</u>
Receivable within one year	\$ 339,695	\$ (213,948)	\$ -	\$ 125,747
Receivable in one to five years	144,500	(48,543)	-	95,957
Receivable in greater than five years	-	-	-	-
Total	<u>\$ 484,195</u>	<u>\$ (262,491)</u>	<u>\$ -</u>	<u>\$ 221,704</u>

D. BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST

The Foundation has been named as a beneficiary in a charitable remainder trust. The assets in the trust will be available for unrestricted use at the termination of the trust, which will be at the death of the last living donor. The Foundation's interest in the trust is valued at the present value of the estimated future payments and is calculated using discount rates of 4.28% (2024) and 4.28% (2023), as well as applicable mortality tables. The statements of activities include a gain (loss) from the change in value of \$0 and \$(13,605) for the years ended June 30, 2024 and 2023, respectively. The year-end values of the trusts are as follows:

<u>As of June 30:</u>	<u>2024</u>	<u>2023</u>
Fair market value of trust	\$ 165,808	\$ 165,808
Less: discount to present value of remainder interest	<u>(55,580)</u>	<u>(55,580)</u>
Charitable remainder trust, net of discount	<u>\$ 110,228</u>	<u>\$ 110,228</u>

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

E. FAIR VALUE MEASUREMENTS

FASB ASC 820-10 and subsections *Fair Value Measurements* establishes a framework for measuring fair value. That framework 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 of unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 - Observable inputs that reflect quoted prices for identical securities, traded in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and 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 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value for the Beneficial Interest in Remainder Trust (Level 3) is determined by estimating the present values of the future distributions expected to be received. Inputs include June 30, 2024 and 2023 values of the investments in the trust, data from published life expectancy tables and discount rates of 4.28% (2024) and 4.28% (2023).

The following tables set forth the level within the fair value hierarchy, for the Foundation's investments at fair value as of June 30, 2024 and 2023:

	Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 937,954	\$ -	\$ -	\$ 937,954
Exchange-traded funds	1,081,938	-	-	1,081,938
Mutual funds	13,568,430	-	-	13,568,430
Alternative mutual funds	1,571,843	-	-	1,571,843
Grubb QOF REIT	-	-	272,547	272,547
Beneficial interest in CRT	-	-	110,228	110,228
Total	\$ 17,160,165	\$ -	\$ 382,775	\$ 17,542,940

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

E. FAIR VALUE MEASUREMENTS (Continued)

	Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 568,205	\$ -	\$ -	\$ 568,205
Exchange-traded funds	1,032,960	-	-	1,032,960
Mutual funds	12,352,729	-	-	12,352,729
Alternative mutual funds	1,444,979	-	-	1,444,979
Grubb QOF REIT	-	-	303,916	303,916
Beneficial interest in CRT	-	-	110,228	110,228
Total	\$ 15,398,873	\$ -	\$ 414,144	\$ 15,813,017

F. INVESTMENTS – AVAILABLE FOR SALE

The portfolio of investments is carried at its fair market value. Market values and unrealized gain and losses pertaining to the investment portfolio as of June 30 are as follows:

	2024		2023	
	Cost	Market	Cost	Market
Cash and cash equivalents	\$ 937,954	\$ 937,954	\$ 568,205	\$ 568,205
Exchange-traded funds	857,015	1,081,938	865,474	1,032,960
Mutual funds	12,322,168	13,568,430	11,814,744	12,352,729
Alternative mutual funds	1,242,185	1,571,843	1,247,185	1,444,979
Total	\$ 15,359,322	\$ 17,160,165	\$ 14,495,608	\$ 15,398,873

The net asset allocation of the investments at June 30, 2024 and 2023 was as follows:

	2024	2023
Net assets without donor restriction	\$ 7,551,844	\$ 7,216,415
Net assets with donor restrictions	9,608,321	8,182,458
Total	\$ 17,160,165	\$ 15,398,873

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

F. INVESTMENTS – AVAILABLE FOR SALE (Continued)

Investment income consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 368,783	\$ 357,200
Net realized gain on investments	166,186	150,267
Net unrealized gain (loss) on investments	979,507	841,557
Net gain (loss) from REIT	(31,369)	39,720
Total	<u>\$ 1,483,107</u>	<u>\$ 1,388,744</u>

G. INVESTMENTS - PARTNERSHIP INTERESTS AND REIT

Investments-partnership interests in real estate at June 30, 2024 and 2023 consisted of the following, which approximates fair value:

	Grubb SE Residential		
	Fund, LLC	Grubb QOF REIT	Total
<u>2024</u>			
Balance, beginning of year	\$ -	\$ 303,916	\$ 303,916
Net real estate gain (loss)	-	(31,369)	(31,369)
Increase (reduction) in fair value	-	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 272,547</u>	<u>\$ 272,547</u>
<u>2023</u>			
Balance, beginning of year	\$ -	\$ 290,107	\$ 290,107
Net real estate gain (loss)	-	13,809	13,809
Increase (reduction) in fair value	-	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 303,916</u>	<u>\$ 303,916</u>

H. RESTRICTIONS ON NET ASSETS

Net Assets without donor restrictions

Unrestricted net assets are not subject to donor-imposed stipulations and are currently available for use in the operations of the Foundation under the direction of the Board.

The Foundation's board designated unrestricted funds for future special investments in the amount of \$2,242,528 and \$2,242,528 at June 30, 2024 and 2023, respectively.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

H. RESTRICTIONS ON ASSETS (Continued)

Net Assets with donor restrictions

Net assets with restrictions are those stipulated by donors for specific operating purposes, those not currently available for use until commitments regarding their use have been fulfilled, or assets that must be maintained in perpetuity by the Foundation. Net Assets that are subject to expenditure for a specific purpose or passage of time are composed of the following as of June 30:

	2024	2023
Reserved for student aid	\$ 3,463,047	\$ 2,580,302
Reserved for grants	516,082	428,427
Reserved for college departments and projects	1,097,058	1,161,051
Total Temporarily Restricted Net Assets	\$ 5,076,187	\$ 4,169,780

As required by accounting principles generally accepted in the United States of America and a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), net assets associated with endowment funds, including funds designated by the Foundation to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions. The State of North Carolina enacted UPMIFA effective March 19, 2009, the provision of which apply to endowment funds existing on or established after that date.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) 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 restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of 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. Any remaining portion of the donor-restricted endowment fund is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, 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 various funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The Foundation's primary investment goals are to achieve a 35% asset allocation in fixed income investments, 55% asset allocation in equities and 10% asset allocation in diversifying funds to sustain a long-term capital appreciation of the asset portfolio.

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

H. RESTRICTIONS ON ASSETS (Continued)

The spending policy calculates the amount of money annually distributed from the Foundation's various endowment funds, for grant making administration. Based on the earnings generated by all endowments, determination is made as to what amounts to use to grow temporary endowments to fund long term programs and what amounts to be used for current program activities.

Net Assets that are perpetual in nature or endowed for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Endowment Funds for student aid	\$ 4,466,649	\$ 4,182,189
Beneficial interest incharitable remainder trust	110,228	110,228
Total Permanently Restricted Net Assets	\$ 4,576,877	\$ 4,292,417

I. RELATED PARTY TRANSACTIONS

The Foundation and Guilford Technical Community College (GTCC) are related parties. During the years ended June 30, 2024 and 2023, the Foundation recorded revenues for administrative services contributed by GTCC. In addition, the Foundation donated materials and equipment to GTCC. Administrative services contributed by GTCC to the Foundation amounted to \$258,467 and \$246,325 for the years ended June 30, 2024 and 2023. Materials and equipment donated to GTCC from the Foundation amounted to \$161,569 and \$48,891 for the years ended June 30, 2024 and 2023.

Members of the board of directors make contributions for the support of the Foundation's general operations and programs. Contributions made by members of the board of directors were not considered significant during the years ended June 30, 2024 and 2023.

J. LIQUIDITY AND AVAILABILITY OF FUNDS

The Foundation's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	2024	2023
Cash and cash equivalents	\$ 140,793	\$ 75,000
Pledges receivable (current)	124,925	125,747
Investments - without restriction	7,551,844	7,216,415
Less:		
Accounts payable	(78,368)	(65,210)
Total financial assets available to meet general expenditures and liabilities within the next 12 months	\$ 7,739,194	\$ 7,351,952

GUILFORD TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2024 and 2023

K. COMPARATIVE DATA

The financial statements include certain prior year summarized comparative information. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

L. IN-KIND DONATED SERVICES AND EQUIPMENT/MATERIALS

During the years ended June 30, 2024 and 2023, the in-kind contributions were as follows:

	2024	2023
<i>From College:</i>		
Wages	\$ 186,414	\$ 176,338
Pension	41,848	40,038
Other benefits	30,205	29,949
Materials	31,156	15,121
	\$ 289,623	\$ 261,446
 <i>From other sources</i>		
Equipment / supplies	\$ 162,334	\$ 33,770
Fundraising items	12,979	-
	\$ 175,313	\$ 33,770
	\$ 464,936	\$ 295,216

M. SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2024, to assess the need for potential recognition or disclosure in this report. Such events were evaluated through September 11, 2024, the date these financial statements were available to be issued.