

**Alamance Community College  
Foundation, Inc.**

Financial Statements

June 30, 2024 and 2023

Alamance Community College Foundation, Inc.

2024 Board of Directors

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## Independent Auditors' Report

To the Board of Directors  
Alamance Community College Foundation, Inc.  
Graham, North Carolina

### Opinion

We have audited the accompanying financial statements of Alamance Community College Foundation, Inc. (a nonprofit organization), 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 Alamance Community College Foundation, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### 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 Alamance Community College Foundation, Inc. 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 Alamance 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 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 Alamance 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 Alamance 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

### **Report on Summarized Comparative Information**

We have previously audited Alamance Community College Foundation, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Dillion Bell Mosen LLP*

Certified Public Accountants  
Burlington, North Carolina  
November 6, 2024

**Alamance Community College Foundation, Inc.**  
**Statements of Financial Position**  
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,421,404	\$ 2,255,473
Long - term investments	15,327,819	13,748,599
Prater and Dillingham endowments	1,444,779	1,347,320
Other receivables	7,093	6,016
Promises to give - net	545,978	88,208
Grants receivable	13,799	43,512
Cash surrender value of life insurance	4,945	7,223
Funds held for others	183,789	185,171
	<u>183,789</u>	<u>185,171</u>
<b>Total assets</b>	<u>\$ 19,949,606</u>	<u>\$ 17,681,522</u>
<b>Liabilities</b>		
Accounts payable	\$ 12,221	\$ 55,226
Custodial funds	183,789	185,171
	<u>183,789</u>	<u>185,171</u>
Total liabilities	<u>196,010</u>	<u>240,397</u>
<b>Net Assets</b>		
Without donor restrictions	1,062,392	633,336
With donor restrictions:		
Purpose restriction	9,384,988	7,816,212
Perpetual in nature	9,306,216	8,991,577
	<u>9,306,216</u>	<u>8,991,577</u>
Total net assets	<u>19,753,596</u>	<u>17,441,125</u>
<b>Total liabilities and net assets</b>	<u>\$ 19,949,606</u>	<u>\$ 17,681,522</u>

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

**Alamance Community College Foundation, Inc.****Statements of Activities**

For the Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>Changes in Net Assets</b>				
Revenue and other support:				
Contributions	\$ 672,023	\$ 1,634,702	\$ 2,306,725	\$ 1,341,146
Contributed goods and services	19,863	70,795	90,658	415,909
Support services from ACC	279,902	-	279,902	302,938
Investment income - net	115,826	1,828,071	1,943,897	1,497,049
Other income (expense)	8,179	10,623	18,802	(15,126)
Net assets released from restrictions	1,660,776	(1,660,776)	-	-
Total revenue and other support	<u>2,756,569</u>	<u>1,883,415</u>	<u>4,639,984</u>	<u>3,541,916</u>
Expenses:				
Student scholarships	751,560	-	751,560	695,256
College work study match	75,000	-	75,000	75,000
Other student support	50,711	-	50,711	60,448
Programs and resources for ACC faculty and staff	34,072	-	34,072	34,552
Other education-related programs	1,133,510	-	1,133,510	2,649,365
Support services from ACC	226,717	-	226,717	248,712
Other Foundation expenses	55,943	-	55,943	61,932
Total expenses	<u>2,327,513</u>	<u>-</u>	<u>2,327,513</u>	<u>3,825,265</u>
Increase (decrease) in net assets	\$ 429,056	\$ 1,883,415	\$ 2,312,471	\$ (283,349)
Net assets - beginning	<u>633,336</u>	<u>16,807,789</u>	<u>17,441,125</u>	<u>17,724,474</u>
<b>Net assets - ending</b>	<u>\$ 1,062,392</u>	<u>\$ 18,691,204</u>	<u>\$ 19,753,596</u>	<u>\$ 17,441,125</u>

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

**Alamance Community College Foundation, Inc.**  
**Statements of Functional Expenses**  
For the Years Ended June 30, 2024 and 2023

	Program Services	Management and General	Fundraising	2024	2023
Student scholarships	\$ 751,560	\$ -	\$ -	\$ 751,560	\$ 695,256
College work study match	75,000	-	-	75,000	75,000
Other student support	50,711	-	-	50,711	60,448
Programs and resources for ACC faculty and staff	34,072	-	-	34,072	34,552
Other education-related programs	1,133,510	-	-	1,133,510	2,649,365
Support services from ACC	-	113,359	113,358	226,717	248,712
Other Foundation expenses	-	32,114	23,829	55,943	61,932
<b>Total expenses</b>	<b>\$ 2,044,853</b>	<b>\$ 145,473</b>	<b>\$ 137,187</b>	<b>\$ 2,327,513</b>	<b>\$ 3,825,265</b>

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



**Alamance Community College Foundation, Inc.**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 2,312,471	\$ (283,349)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized investment gain	(1,457,658)	(1,053,309)
Endowment contributions	(320,021)	(226,444)
Change in discount on promises to give	512	712
Allowance for (recovery of) uncollectible promises to give	(4,395)	339
Cash surrender value of life insurance	2,278	(652)
Changes in operating assets and liabilities:		
Other receivables	(1,077)	(5,628)
Promises to give	(453,887)	31,632
Grants receivable	29,713	876,756
Accounts payable	(43,005)	44,791
	<u>64,931</u>	<u>(615,152)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from the sale of investments	2,897,555	1,186,721
Purchase of investments	(3,116,576)	(1,227,725)
	<u>(219,021)</u>	<u>(41,004)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from contributions restricted for endowment	320,021	226,444
	<u>320,021</u>	<u>226,444</u>
Net cash provided by financing activities	<u>320,021</u>	<u>226,444</u>
Net increase (decrease) in cash	165,931	(429,712)
Cash and cash equivalents - beginning	<u>2,255,473</u>	<u>2,685,185</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 2,421,404</u></u>	<u><u>\$ 2,255,473</u></u>

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

**Alamance Community College Foundation, Inc.**  
**Notes to Financial Statements**  
June 30, 2024 and 2023

**Note 1: Summary of Significant Accounting Policies**

**Nature of organization** - Alamance Community College Foundation, Inc. ("the Foundation") is a nonprofit organization which was formed for the purpose of providing financial support for educational programs of Alamance Community College ("ACC") in the form of student scholarships, professional development for faculty and staff, educational enrichment, and other programs.

**Comparative financial information** - The 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 generally accepted accounting principles. 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.

**Fund accounting** - The accounts of the Foundation are maintained in accordance with principles of fund accounting, whereby resources for various purposes are classified for accounting purposes into funds that are in consistent with activities or objectives specified. Separate accounts are maintained for each fund and are reported accordingly.

Operating funds include resources with and without donor restrictions. Currently, funds are restricted for scholarships and other programs. Endowment funds are used to account for donations stipulating that the principal remains intact and only the income from investing the principal is available to be spent. Income from donor-restricted endowments is restricted for specific purposes, unless available for general use as directed by the donor.

**Use of accounting estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash and cash equivalents** - Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less. The Foundation has credit risk exposure arising from cash deposits in excess of federally insured limits of \$250,000.

**Investments** - The Foundation carries investments in marketable securities with readily determinable fair values in the statements of financial position. Unrealized gains are included in the change of net assets in the accompanying statements of activities.

**Endowments** - The Foundation has adopted investment and spending policies for endowment assets that aim to provide a stable flow of support for the needs of Alamance Community College students and related educational programs while preserving the future purchasing power of the endowment. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve an annualized total return, through appreciation and income, greater than the annual spending rate (payout and fees) plus inflation (as measured by the broad, domestic Consumer Price Index). Actual returns in any given year may vary.

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), net of investment management fees and expenses. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

**Alamance Community College Foundation, Inc.**

**Notes to Financial Statements**

June 30, 2024 and 2023

**Note 1: Summary of Significant Accounting Policies (continued)**

**Endowments (continued)** - The spending rate for endowed assets is currently up to 5% of the average value of each fund over the previous twelve quarters, unless otherwise specified in the donor agreement.

**Advertising** - The Foundation expenses advertising costs as incurred. Total advertising costs for the years ended June 30, 2024 and 2023 were \$25 and \$20, respectively.

**Functional allocation of expenses** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Net assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished) in the year in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When the restrictions expire, 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.

**Note 2: Available Resources and Liquidity**

The following reflects the Foundation's financial assets as of year-end, reduced by amounts not available for general use due to donor-imposed restrictions.

	2024	2023
Cash and cash equivalents	\$ 2,421,404	\$ 2,255,473
Investments	16,772,598	15,095,919
Promises to give – receivable in less than one year	<u>527,297</u>	<u>93,409</u>
Total available financial resources	19,721,299	17,444,801
Less assets to fund donor restrictions	<u>18,677,405</u>	<u>16,764,277</u>
Total financial resources available for general use	<u>\$ 1,043,894</u>	<u>\$ 680,524</u>

The Foundation routinely receives support from various donors that is more than sufficient to fund operating expenses. Furthermore, management and the Board routinely monitor support through review of the annual budget.

**Alamance Community College Foundation, Inc.****Notes to Financial Statements**

June 30, 2024 and 2023

**Note 3: Donated Services, Materials and Facilities**

The Foundation receives donated services, materials and facilities from ACC. Services, materials, and facilities are reported at fair market value as of the date of gift. The estimated value of these items has been reflected in the accompanying financial statements as in-kind donations with a like amount included in expenses. In-kind donations from ACC reflected in the financial statements are as follows:

	2024	2023
Administrative	\$ 226,717	\$ 248,712
Other education related programs	53,185	54,226
Total support services	<u>\$ 279,902</u>	<u>\$ 302,938</u>

**Note 4: Cash Surrender Value of Life Insurance**

The Foundation is the beneficiary of certain whole life insurance policies donated by Foundation supporters. The policies have aggregate death benefits as of June 30, 2024 and 2023 of \$44,000 with an aggregate cash surrender value of \$4,945 and \$7,223, respectively.

**Note 5: Promises to Give**

Promises to give, less an allowance for uncollectible items, are recorded at their fair value with amounts due later than one year at present value of estimated future cash flows. Promises to give are as follows:

	2024	2023
BCOE Equipment Campaign	\$ 22,500	\$ 57,645
Shoffner estate gift	444,264	-
Campus Campaign	34,343	35,764
Other	46,189	-
Total promises to give	<u>\$ 547,296</u>	<u>\$ 93,409</u>
Receivable in less than one year	\$ 527,297	\$ 93,409
Receivable in one to five years	19,999	-
Total promises to give	547,296	93,409
Less discounts to net present value (discount rate at June 30, 2024 and 2023 was 4.67% and 1.84%, respectively)	1,318	806
Less allowance for uncollectible promises to give	-	4,395
Promises to give - net	<u>\$ 545,978</u>	<u>\$ 88,208</u>

**Alamance Community College Foundation, Inc.****Notes to Financial Statements**

June 30, 2024 and 2023

**Note 6: Grants Receivable**

The Foundation is the beneficiary of a grant, payable over an undetermined term, for the purchase of laboratory equipment and supplies for ACC's Biotechnology Center of Excellence. The balance of the grant receivable as of June 30, 2024 and 2023 was \$3,799 and \$33,508, respectively.

The Foundation has a grant receivable from United Way of Alamance County with a balance of \$10,000 and \$10,004 as of June 30, 2024 and 2023, respectively.

**Note 7: Prater and Dillingham Endowments**

The Foundation is the beneficiary of the Elwood Prater Alamance Community College Scholarship Endowment and the JC and Fran Dillingham Endowment administered by the Alamance Community Foundation. All assets held by the Alamance Community Foundation are subject to variance power which allows the Board of Directors of the Alamance Community Foundation to modify any restrictions or conditions on the distribution of assets for any specified charitable purpose or to specified organizations, if in their sole judgment such restriction becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served by the Foundation.

The Foundation receives an annual distribution from the endowments to use for awarding scholarships. For the years 2024 and 2023, the distribution approximated 4.0% of the endowment balance. As of June 30, 2024 and 2023, the beneficial interest in the endowments was \$1,444,779 and \$1,347,320, respectively.

**Note 8: Investments**

Investments held and managed by the Foundation are reported at fair market value. Due to market fluctuations, the stated values may vary.

The following is a summary of investments classified by major type as of June 30, 2024 and 2023:

	2024		2023	
	Cost	Market	Cost	Market
Fixed income	\$ 4,313,631	\$ 4,122,006	\$ 4,380,057	\$ 3,900,364
Equities	6,348,140	11,205,813	6,320,756	9,848,235
Total investments	<u>\$ 10,661,771</u>	<u>\$ 15,327,819</u>	<u>\$ 10,700,813</u>	<u>\$ 13,748,599</u>

Investment income consists of the following:

	2024	2023
Dividends and interest, net of expenses	\$ 486,239	\$ 443,740
Net realized and unrealized gains	1,457,658	1,053,309
Investment income - net	<u>\$ 1,943,897</u>	<u>\$ 1,497,049</u>

Investment advisory fees totaled \$80,534 and \$75,115 for the years ended June 30, 2024 and 2023, respectively.

**Alamance Community College Foundation, Inc.****Notes to Financial Statements**

June 30, 2024 and 2023

**Note 9: Endowment Funds**

The Foundation's endowments consist of donor-restricted funds established for a variety of charitable purposes that must be held in perpetuity. These endowments are subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of contribution(s) as of the gift date(s) of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation retains in perpetuity (1) the original value of contributions donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) 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.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by 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 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 investment; (6) other resources of the Foundation; and (7) the investment policies of the Foundation.

In all events, the actual accumulation or payout from any endowment fund shall be increased or reduced to the extent necessary to avoid a violation of the specific terms of the instrument by which the endowment fund was created.

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2024 and 2023, there were no deficiencies of this nature.

The table below sets forth a summary of changes in the fair value of all of the Foundation's Endowments for the years ended June 30, 2024 and 2023, respectively:

	<u>Purpose</u>	<u>Perpetuity</u>	<u>Total</u>
Balance as of June 30, 2022	\$ 5,150,778	\$ 8,724,874	\$ 13,875,652
Contributions	-	266,703	266,703
Investment income - net	1,411,680	-	1,411,680
Disbursements	<u>(498,479)</u>	<u>-</u>	<u>(498,479)</u>
Balance as of June 30, 2023	\$ 6,063,979	\$ 8,991,577	\$ 15,055,556
Contributions	-	314,639	314,639
Investment income - net	1,828,071	-	1,828,071
Disbursements	<u>(558,956)</u>	<u>-</u>	<u>(558,956)</u>
Balance as of June 30, 2024	<u>\$ 7,333,094</u>	<u>\$ 9,306,216</u>	<u>\$ 16,639,310</u>

**Alamance Community College Foundation, Inc.**

**Notes to Financial Statements**

June 30, 2024 and 2023

**Note 10: Fair Value Measurement**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC), Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides 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 under FASB ASC 820 are described as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity. Level 3 assets are those whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with significant unobservable inputs, as well as instruments for which the determination of fair value requires significant judgement or estimation.

The asset's 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.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common stocks, corporate bonds, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Consists of equity mutual funds and fixed income mutual funds listed on national markets or exchanges. These mutual funds are valued at the last sales price or, if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange.

Trust funds: The Foundation's endowment funds are held and managed by Alamance Community Foundation as part of a pooled fund in which the Foundation does not directly hold the underlying shares of invested funds. This is considered a level 2 investment. The underlying funds held by Alamance Community Foundation are readily observable by quoted prices in active markets.

Promises to give: Discounted to approximate fair value.

There have been no changes in the methodology used at June 30, 2024 and 2023.

The methods described above 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 the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Alamance Community College Foundation, Inc.**  
**Notes to Financial Statements**  
June 30, 2024 and 2023

**Note 10: Fair Value Measurement (continued)**

The following table sets forth, by level within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds:				
Fixed income	\$ 4,122,006	\$ 4,122,006	\$ -	\$ -
Equities	11,205,813	11,205,813	-	-
Trust funds	1,444,779	-	1,444,779	-
Promises to give – net	<u>545,978</u>	<u>-</u>	<u>-</u>	<u>545,978</u>
Total assets at fair value	<u>\$ 17,318,576</u>	<u>\$ 15,327,819</u>	<u>\$ 1,444,779</u>	<u>\$ 545,978</u>

The following table sets forth, by level within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds:				
Fixed income	\$ 3,900,364	\$ 3,900,364	\$ -	\$ -
Equities	9,848,235	9,848,235	-	-
Trust funds	1,347,320	-	1,347,320	-
Promises to give – net	<u>88,208</u>	<u>-</u>	<u>-</u>	<u>88,208</u>
Total assets at fair value	<u>\$ 15,184,127</u>	<u>\$ 13,748,599</u>	<u>\$ 1,347,320</u>	<u>\$ 88,208</u>

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2024:

	<u>2024</u>	<u>2023</u>
Balance – beginning of year	\$ 88,208	\$ 120,891
New pledges, payments, and discounts – net	<u>457,770</u>	<u>(32,683)</u>
Balance – end of year	<u>\$ 545,978</u>	<u>\$ 88,208</u>

**Note 11: Custodial Funds**

In 2015, The Foundation became the custodian of certain investments held for the benefit of ACC, provided as a donation through the Rebecca S. Thigpen estate. The fair market value of the account was \$183,789 and \$185,171 as of June 30, 2024 and 2023, respectively.



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**Note 12: Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

Net assets with a restricted purpose are available for scholarships, college work study, and other educational programs and totaled \$9,384,988 and \$7,816,212 as of June 30, 2024 and 2023, respectively.

Net assets to be held in perpetuity consist of academic, program, memorial, and various other endowment funds and totaled \$9,306,216 and \$8,991,577 as of June 30, 2024 and 2023, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Student scholarships	\$ 609,872	\$ 557,713
Other student support	198,922	669,180
Other education related programs	845,907	1,682,475
Other Foundation expenses	6,075	3,462
Total net assets released	\$ 1,660,776	\$ 2,912,830

**Note 13: Income Taxes**

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and the applicable state tax laws. The Internal Revenue Service has determined that the Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Management is unaware of any uncertain tax position in the financial statements that would jeopardize the Foundation's tax-exempt status or otherwise requires disclosure.

**Note 14: Related Party Transactions**

Foundation Directors conduct transactions with the Foundation that occur within a normal contributor or supplier relationship, on terms and conditions no more favorable than those with which it is reasonable to expect the entity would have adopted if dealing with the Director at arm's length in similar circumstances. These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of the financial statements:

Directors' contributions and donations to the Foundation and its endowments totaled \$91,439 and \$52,625 for the years ended June 30, 2024 and 2023, respectively.

**Note 15: Functional Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, and insurance, which are part of the support services from ACC line item in the statements of functional expenses. They are all allocated based on estimates of time and effort, as the only space used by the Foundation is office space and time spent determines the use of that area.

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**Note 16: Subsequent Events**

The Foundation has evaluated events and transactions that occurred between June 30, 2024 and November 6, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.