

**WAKE TECHNICAL COMMUNITY  
COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**

Consolidated Financial Statements

June 30, 2022  
(With Comparative Totals as of June 30, 2021)

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Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wake Technical Community College Foundation, Inc. and Subsidiaries  
Raleigh, North Carolina

### Opinion

We have audited the accompanying consolidated financial statements of Wake Technical Community College Foundation, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wake Technical Community College Foundation, Inc. and Subsidiaries as of June 30, 2022, and the changes in their net assets and their 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 Consolidated Financial Statements section of our report. We are required to be independent of Wake Technical Community College Foundation, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Wake Technical Community College Foundation, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wake Technical Community College Foundation, Inc. and Subsidiaries' 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 Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 24 to 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited Wake Technical Community College Foundation, Inc. and Subsidiaries' 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Thomas, Judy & Duck, P.A.*

Raleigh, North Carolina  
October 6, 2022

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
June 30, 2022  
(With Comparative Totals as of June 30, 2021)

	2022			2021
	Without Restrictions	With Restrictions	Total	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 776,789	\$ 2,666,438	\$ 3,443,227	\$ 4,024,771
Sales Tax Receivable	11,150		11,150	7,312
Investments	4,085,670	11,962,875	16,048,545	17,063,274
Pledges Receivable - Current	5,000	979,333	984,333	835,434
Charitable Lead Annuity Trust - Current		143,092	143,092	119,243
<b>Total Current Assets</b>	<b>4,878,609</b>	<b>15,751,738</b>	<b>20,630,347</b>	<b>22,050,034</b>
Property and Equipment:				
Software	128,319		128,319	128,319
Accumulated Depreciation	(128,319)		(128,319)	(128,319)
Net Property and Equipment				
Other Assets:				
Pledges Receivable - Net		1,734,399	1,734,399	1,222,000
Land Held for Sale	267,412	748,819	1,016,231	1,016,231
Charitable Lead Annuity Trust - Net		1,309,229	1,309,229	1,447,729
Charitable Split Interest Annuity Trust		168,373	168,373	
<b>Total Other Assets</b>	<b>267,412</b>	<b>3,960,820</b>	<b>4,228,232</b>	<b>3,685,960</b>
<b>Total Assets</b>	<b>\$ 5,146,021</b>	<b>\$ 19,712,558</b>	<b>\$ 24,858,579</b>	<b>\$ 25,735,994</b>
<b>LIABILITIES, EQUITY, AND NET ASSETS</b>				
Liabilities:				
Income Taxes Payable	\$ 6,705	\$	\$ 6,705	\$ 2,660
Accounts Payable	21		21	
Liabilities under Charitable Split Interest Annuity - Current Portion	16,419		16,419	
<b>Total Current Liabilities</b>	<b>23,145</b>		<b>23,145</b>	<b>2,660</b>
Liabilities under Charitable Split Interest Annuity - Net	48,980		48,980	
<b>Total Liabilities</b>	<b>72,125</b>		<b>72,125</b>	<b>2,660</b>
Equity:				
Retained Earnings	132,270		132,270	113,210
<b>Total Equity</b>	<b>132,270</b>		<b>132,270</b>	<b>113,210</b>
Net Assets:				
Without Donor Restrictions:				
Undesignated	3,614,787		3,614,787	5,239,129
Designated by the Board	1,326,839		1,326,839	1,679,675
With Donor Restrictions:				
Perpetual in Nature		10,598,971	10,598,971	9,031,822
Purpose Restrictions		9,113,587	9,113,587	9,669,498
<b>Total Net Assets</b>	<b>4,941,626</b>	<b>19,712,558</b>	<b>24,654,184</b>	<b>25,620,124</b>
<b>Total Liabilities, Equity, and Net Assets</b>	<b>\$ 5,146,021</b>	<b>\$ 19,712,558</b>	<b>\$ 24,858,579</b>	<b>\$ 25,735,994</b>

See Accompanying Notes

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenues:				
Contributions	\$ 80,044	\$ 3,780,535	\$ 3,860,579	\$ 3,837,772
Investment Earnings (Losses)	(2,004,806)	(911,600)	(2,916,406)	3,184,030
Gifts - in - Kind	962,406	2,413,793	3,376,199	2,658,726
Product Sales		21,742	21,742	24,383
Interest Income	3,029		3,029	5,976
Other Income	8,306	7,429	15,735	6,081
Total Support and Revenues	<u>(951,021)</u>	<u>5,311,899</u>	<u>4,360,878</u>	<u>9,716,968</u>
Net Assets Released from Restrictions	<u>4,007,537</u>	<u>(4,007,537)</u>		
Program Expenses:				
Scholarship Support	704,253		704,253	831,086
Fostering Bright Futures	44,645		44,645	117,010
College Support	2,792,257		2,792,257	2,116,166
College Initiatives	672,519		672,519	230,069
General and Administrative	659,216		659,216	498,313
Fundraising	453,928		453,928	292,639
Total Expenses	<u>5,326,818</u>		<u>5,326,818</u>	<u>4,085,283</u>
Change in Net Assets	<u>(2,270,302)</u>	<u>1,304,362</u>	<u>(965,940)</u>	<u>5,631,685</u>
Sales and Revenue:				
Energy Rebate	78,732		78,732	71,145
Other Income	6		6	10
Total Sales and Revenue	<u>78,738</u>		<u>78,738</u>	<u>71,155</u>
Expenses:				
Management and General	55,632		55,632	48,697
Total Expenses	<u>55,632</u>		<u>55,632</u>	<u>48,697</u>
Net Income Before Income Taxes	23,106		23,106	22,458
Income Taxes	4,046		4,046	3,060
Net Income	<u>19,060</u>		<u>19,060</u>	<u>19,398</u>
Retained Earnings, Beginning of Year	<u>113,210</u>		<u>113,210</u>	<u>93,812</u>
Retained Earnings, End of Year	<u>132,270</u>		<u>132,270</u>	<u>113,210</u>
Net Assets, Beginning of Year	6,918,804	18,701,320	25,620,124	19,988,439
Transfers	293,124	(293,124)		
Net Assets, End of Year	<u>\$ 4,941,626</u>	<u>\$ 19,712,558</u>	<u>\$ 24,654,184</u>	<u>\$ 25,620,124</u>

See Accompanying Notes

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	2022					2021			
	Scholarships	Fostering Bright Futures	Program College Support	Program Support	Total Program	Administrative and General	Fundraising	Total	Total
Gifts - in - Kind	\$	\$ 11,963	\$ 2,190,140	\$ 223,115	\$ 2,425,218	\$ 540,201	\$ 422,205	\$ 3,387,624	\$ 2,677,409
General Program Support			18,376	144,376	162,752			162,752	76,900
Scholarships	646,936	1,500			648,436			648,436	678,824
Foster Care Program									60,757
Student Financial Assistance and Grants	57,317	24,820			82,137			82,137	87,225
Tuition Assistance			64,395		64,395			64,395	59,201
Faculty Recognition						10,359		10,359	7,430
Event Expenses		4,343	135,933		140,276	6,003		146,279	101,887
Professional Service Contracts		450	66,585	1,180	68,215	54,762		122,977	21,171
Travel and Meeting Expense		1,050	6,454	5,663	13,167	1,396		14,563	5,307
Audit and Tax Compliance Fees						13,095		13,095	15,500
Support and Training			144,197	16,199	160,396	1,499		161,895	4,762
Supplies		257	59,281	94,132	153,670	15,772		169,442	124,289
Meals/Food		15	9,320	16,498	25,833	15,189	4,551	45,573	7,880
Repairs and Maintenance						9,854		9,854	3,307
Salaries			94,895	165,996	260,891	16		260,907	124,340
Dues, Subscriptions, and Memberships			1,189	4,840	6,029	42,917		48,946	24,652
Printing, Postage, and Publications		28	13	129	170	803	5,317	6,290	7,492
Donor Recognition						7,700	21,855	29,555	3,524
Bad Debt Expense, Net of Recoveries						(69,785)		(69,785)	(9,975)
Banking Fees		219	719	391	1,329	6,614		7,943	2,459
Rent Expense						4,000		4,000	4,000
Lease Expense						38,916		38,916	37,303
Other			760		760	15,537		16,297	8,336
	<u>\$ 704,253</u>	<u>\$ 44,645</u>	<u>\$ 2,792,257</u>	<u>\$ 672,519</u>	<u>\$ 4,213,674</u>	<u>\$ 714,848</u>	<u>\$ 453,928</u>	<u>\$ 5,382,450</u>	<u>\$ 4,133,980</u>

See Accompanying Notes

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2022

(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets and Net Income	\$ (946,880)	\$ 5,651,083
Adjustments to Reconcile Changes in Net Assets and Net Income to Net Cash Provided by Operating Activities:		
Amortization of Charitable Lead Annuity Trust	(7,025)	(62,340)
Net (Appreciation) Depreciation in Fair Value of Investments	3,863,844	(2,261,362)
Net Realized Gain on Sale of Investments	(381,301)	(625,430)
Change in Discount on Long Term Pledges Receivable	140,000	(69,000)
Change in Allowance for Doubtful Accounts	(83,000)	(11,000)
Changes in Assets and Liabilities:		
Sales Tax Receivable	(3,838)	(4,559)
Pledges Receivable	(718,298)	184,567
Charitable Lead Annuity Trust	121,676	101,464
Charitable Split Interest Annuity Trust	(168,373)	
Accounts Payable	21	(154)
Income Taxes Payable	4,045	2,660
Charitable Split Interest Annuity Payable	65,399	
Contributions Restricted for Long Term Purposes	<u>(1,361,846)</u>	<u>(1,389,702)</u>
Net Cash Provided by Operating Activities	<u>524,424</u>	<u>1,516,227</u>
Cash Flows from Investing Activities:		
Proceeds on Sale of Investments	16,149,565	13,366,599
Purchase of Investments	(18,614,719)	(14,930,787)
Notes Receivable to Related Parties		120,000
Net Cash Used by Investing Activities	<u>(2,465,154)</u>	<u>(1,444,188)</u>
Cash Flows from Financing Activities:		
Collections of Contributions Restricted for Long Term Purposes	<u>1,361,846</u>	<u>1,389,702</u>
Net Cash Provided by Financing Activities	<u>1,361,846</u>	<u>1,389,702</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(578,884)	1,461,741
Cash and Cash Equivalents, Beginning of Year	<u>4,024,771</u>	<u>2,563,030</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,445,887</u>	<u>\$ 4,024,771</u>

See Accompanying Notes

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2022  
(With Comparative Totals as of June 30, 2021)

1. Business Operations and Summary of Significant Accounting Policies

Business Operations

Wake Technical Community College Foundation, Inc. (the "Foundation") is a nonprofit organization established to operate exclusively for charitable and educational purposes, in order to receive funds from corporate and individual contributors which are used in support of and benefit to Wake Technical Community College ("College") in such a manner deemed necessary and appropriate by the Board of Directors of the Foundation.

Principles of Consolidation

The consolidated financial statements include the accounts of Wake Technical Community College Foundation, Inc., Wake Tech Innovations, Inc., and LS Selma, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Wake Tech Innovations, Inc. ("Innovations"), a for-profit corporation, was formed in May 2012 to construct, operate, and maintain a solar photovoltaic array. Wake Technical Community College Foundation, Inc. owns 100% of Innovations common stock. No amounts were paid for the common stock.

The books and records of Wake Technical Community College Foundation, Inc. include the accounts of LS Selma, LLC ("Selma"), a for-profit limited liability company, which was formed in December 2012 to receive, maintain, and sell donated land. Selma is wholly-owned by Wake Technical Community College Foundation, Inc.

Wake Technical Community College Foundation, Inc., Wake Tech Innovations, Inc., and LS Selma, LLC are collectively referred to as the "Foundation". The Foundation's revenues are derived primarily to benefit the following programs:

Scholarship Support: Financial assistance to degree and non-degree students attending Wake Technical Community College.

Fostering Bright Futures: Financial, academic and social support for students who are in or were in the foster care system.

College Support: Equipment, professional development and financial support for Wake Technical Community College departments and divisions.

College Initiatives: Targeted support for key programmatic initiatives of Wake Technical Community College.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. ASC 958-205 requires that not-for-profit organizations provide a statement of financial position, a statement of activities, a statement of functional expenses, and a statement of cash flows. Also, ASC 958-205 requires classification of an organization's net assets, revenues and expenses according to the following net asset classifications:

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2022  
(With Comparative Totals as of June 30, 2021)

1. Business Operations and Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

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

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Contributions

The Foundation has adopted FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. Contributions received are recorded as contributions without donor restriction or contributions with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Although restricted contributions typically are reported as support that increases net assets with donor restrictions, they may be reported as support without donor restriction if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed.

Investments

Investments consist primarily of assets invested in marketable equity and debt securities. The Foundation accounts for investments in accordance with FASB ASC 958-320 and subsections as it relates to *Accounting for Certain Investments Held By Not-for-Profit Organizations*. This standard requires that investments in equity securities with readily determinable fair value and all investments in debt securities be measured at fair value in the consolidated statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gains or losses in investments are reflected in the accompanying consolidated statement of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers short-term, highly liquid investments that are readily convertible to known amounts of cash with an original maturity at date of purchase of three months or less to be cash equivalents. As of June 30, 2022 and 2021, the Foundation had \$1,608,902 and \$2,450,045 of cash equivalents, respectively.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
 June 30, 2022  
 (With Comparative Totals as of June 30, 2021)

1. Business Operations and Summary of Significant Accounting Policies (Continued)

Functional Allocations of Expenses

The consolidated statement of functional expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All other expenses are directly identified with either programs or in administrative and general or fundraising. The expenses that are allocated include the following:

Expense	Method of Allocation
Gifts in Kind	Time and Effort
Salaries	Time and Effort

Use of Estimates

The preparation of the Foundation's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated statement of financial position and the reported amounts of revenues and expenses included in the consolidated statement of activities. Actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

The Foundation is exempt from income taxes as a nonprofit organization under Internal Revenue Service ("IRS") code section 501(c)(3). During the years ended June 30, 2022 and 2021, the Foundation reported no unrelated business taxable income which is defined by the IRS as gross income derived from any unrelated trade or business that is not substantially related to the organization's tax-exempt purpose. Accordingly, no provision for income taxes has been recorded.

Wake Tech Innovations, Inc. accounts for uncertainties using the asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Foundation has adopted the provisions of FASB ASC 740-10-25 as it relates to *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 Foundation does not believe there are any material uncertain tax positions and, accordingly, no liability for unrecognized tax benefits will be recorded. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax years in progress. For the years ended June 30, 2022 and 2021, there were no interest or penalties recorded or included in the consolidated financial statements related to income taxes.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2022  
(With Comparative Totals as of June 30, 2021)

1. Business Operations and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Expenditures for property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Upon disposition of property and equipment, the related asset and accumulated depreciation accounts are removed and any gain or loss is reflected in the consolidated statement of activities for the period. The estimated useful life of software included within property and equipment for the purpose of computing depreciation is three years.

Depreciation expense for the years ended June 30, 2022 and 2021 was \$0.

Endowments

The Foundation adopted the provisions of FASB ASC 958-205 and subsections as it relates to *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Acts of 2006 (“UPMIFA”) and is effective for fiscal years ending after December 15, 2008. UPMIFA is a model act approved by the Uniform Law Commission (ULC; formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. It also improves disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board designated endowment funds), and whether or not the organization is subject to UPMIFA.

Gifts-In-Kind

The Foundation reports gifts of furniture, equipment and other nonmonetary contributions as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. The Foundation recognizes contributions of services received if such services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Gifts-in-kind are valued based upon estimates of fair market value at date of receipt.

The Foundation has adopted FASB ASC 958-720-50-3 and subsections as it relates to Related Party Transactions and Common Control and Accounting Standards Update (“ASU”) 2013-06, Not-for-Profit Entities: Services Rendered from Personnel of an Affiliate. Under these provisions, the Foundation is required to report information regarding its services received from personnel of the College and the services are to be recognized at fair market value.

New Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities of Contributed Nonfinancial Assets*. This ASU requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also increases disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The adoption of the ASU had no significant impact on the financial statements, with the exception of increased disclosure.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2022  
(With Comparative Totals as of June 30, 2021)

2. Availability and Liquidity

The following represents the Foundation's financial assets as of June 30, 2022:

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 3,443,227
Sales Tax Receivable	11,150
Investments	16,048,545
Pledges Receivable – Current	984,333
Charitable Lead Annuity Trust - Current	<u>143,092</u>
Total financial assets	20,630,347
Less amounts not available to be used within one year:	
Donor-Restricted Funds for Purpose	5,152,767
Perpetual Endowments	10,598,971
Board Designated Funds	<u>1,326,839</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,551,770</u>

The Foundation's board-designated funds as of June 30, 2022 were \$1,326,839 and are subject to the Board's spending policy. Although the Foundation does not intend to spend from this board-designated fund (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation's policy is to have adequate liquid funds available to meet 100% of the prior year's cash requirements.

3. Concentrations of Credit Risk

The Foundation occasionally maintains cash deposits in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Accounts at each brokerage firm are insured by the Securities Investor Protection Corporation up to \$500,000. At June 30, 2022, the Foundation's uninsured cash balances totaled \$1,535,298.

4. Deposits

All funds of the Foundation are deposited in board-designated official depositories and are required to be collateralized in accordance with *North Carolina General Statute* 115D-58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. Also, the Foundation may establish time deposit accounts, money market accounts, and certificates of deposit. At June 30, 2022 and 2021, the Foundation had a balance of \$1,086,825 and \$1,084,629, respectively, on deposit with the State Treasurer.

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4. Deposits (Continued)

The North Carolina Administrative Code (20 NCAC 7) requires all depositories to collateralize public deposits in excess of federal depository insurance coverage by using one of two methods, dedicated or pooled. Under the dedicated method, a separate escrow account is established by each depository in the name of each local government unit and the responsibility of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer. Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. As of June 30, 2022, the Foundation's bank balance in excess of federal depository insurance coverage was covered under the pooling method.

5. Fair Value Measurements

FASB ASC 820-10 and subsections as it relates to *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 to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

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

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

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5. Fair Value Measurements (Continued)

As of June 30, 2022 and 2021, all of the Foundation's financial instruments are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2022</u>				
<i>Financial Assets:</i>				
Mutual Funds	\$ 15,126,795	\$	\$	\$ 15,126,795
U.S. Government and Agency Bond		201,467		201,467
Municipal Obligations		163,541		163,541
Corporate Obligations		<u>556,743</u>		<u>556,743</u>
	<u>\$ 15,126,795</u>	<u>\$ 921,751</u>	<u>\$</u>	<u>\$ 16,048,546</u>
<i>Beneficial Interest in:</i>				
Charitable Trusts Held by Others	<u>\$</u>	<u>\$</u>	<u>\$ 1,620,694</u>	<u>\$ 1,620,694</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2021</u>				
Mutual Funds	\$ 16,072,223	\$	\$	\$ 16,072,223
U.S. Government and Agency Bond		383,822		383,822
Corporate Obligations		<u>607,229</u>		<u>607,229</u>
	<u>\$ 16,072,223</u>	<u>\$ 991,051</u>	<u>\$</u>	<u>\$ 17,063,274</u>
<i>Beneficial Interest in:</i>				
Charitable Trusts Held by Others	<u>\$</u>	<u>\$</u>	<u>\$ 1,566,972</u>	<u>\$ 1,566,972</u>

Investments are reported at fair market values based on quotation from national securities exchanges or brokerage firms. Beneficial interest in charitable trusts are reported at fair market values of underlying securities as reported by the trusts.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 1,566,972	\$ 1,606,096
Purchases/Contributions	202,407	
Investment Return	(17,602)	62,340
Distributions	<u>(131,083)</u>	<u>(101,464)</u>
Ending Balance	<u>\$ 1,620,694</u>	<u>\$ 1,566,972</u>

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6. Investments

The fair value of investments at June 30, 2022 and 2021 is comprised of the following:

	<u>2022</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
<i>Financial Assets:</i>			
Mutual Funds	\$ 15,126,795	\$ 16,388,217	\$ (1,261,422)
U.S. Government and Agency Bonds	201,467	205,827	(4,360)
Municipal Obligations	163,541	172,208	(8,667)
Corporate Obligations	<u>556,743</u>	<u>600,699</u>	<u>(43,956)</u>
Total	<u>\$ 16,048,546</u>	<u>\$ 17,366,951</u>	<u>\$ (1,318,405)</u>
	<u>2021</u>		
	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
<i>Financial Assets:</i>			
Mutual Funds	\$ 16,072,223	\$ 13,570,603	\$ 2,501,620
U.S. Government and Agency Bonds	383,822	372,899	10,923
Corporate Obligations	<u>607,229</u>	<u>592,841</u>	<u>14,388</u>
Total	<u>\$ 17,063,274</u>	<u>\$ 14,536,343</u>	<u>\$ 2,526,931</u>

The Foundation's investment income (losses) consisted of the following items for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Realized Gains on Investments	\$ 381,301	\$ 625,430
Interest and Dividends	635,968	353,926
Unrealized Gains (Losses) on Investments	(3,863,844)	2,261,362
Investment Fees	<u>(69,831)</u>	<u>(56,688)</u>
Total	<u>\$ (2,916,406)</u>	<u>\$ 3,184,030</u>

For purposes of determining the gain or loss on sale, the cost of the investment is based on the average cost of all shares of each such investment fund at the date of the sale.

7. Endowment Fund

The Foundation's endowment consists of approximately 90 individual funds established for a variety of purposes. The endowments include both donor restricted endowment funds and internally designated funds to function as endowments. As required by generally accepted accounting principles of the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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7. Endowment Fund (Continued)

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“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 retains in perpetuity (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 of investment earnings to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA.

Endowment net assets consist of the following as of June 30:

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Board Designated Funds	\$ 1,273,766	\$	\$ 1,273,766
Donor Restricted Endowment Funds:			
Funds to be Kept in Perpetuity		10,598,971	10,598,971
Accumulated Investment Gains		1,363,904	1,363,904
	<u>\$ 1,273,766</u>	<u>\$ 11,962,875</u>	<u>\$ 13,236,641</u>
Total			
	2021		
	Without Donor Restriction	With Donor Restriction	Total
Board Designated Funds	\$ 1,403,960	\$	\$ 1,403,960
Donor Restricted Endowment Funds:			
Funds to be Kept in Perpetuity		9,031,822	9,031,822
Accumulated Investment Gains		2,281,473	2,281,473
	<u>\$ 1,403,960</u>	<u>\$ 11,313,295</u>	<u>\$ 12,717,255</u>
Total			

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. The Foundation has adopted specific guidelines for both equity and fixed income investments. The guidelines for equity investments include equity holdings that may only be selected from the New York, America, Regional and Major Foreign Stock Exchanges, or the NASDAQ markets. No individual security managed by any one investment manager should exceed 5% (at cost) of the total assets contained in their respective portfolio. Holdings must represent companies meeting the minimum capitalization of \$50 million with high market liquidity. Allocations to any non-US equity portfolio will have no more than 30% in any one country. The overall portfolio should be reflective of a balanced and broad based asset allocation. For fixed income securities, investment securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and other factors.



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8. Pledges Receivable

The Foundation receives pledges to support scholarships, financial assistance and other programs. Pledge receivables consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 984,333	\$ 835,434
Receivable in one to ten years	<u>2,172,399</u>	<u>1,603,000</u>
Total unconditional promises to give	3,156,732	2,438,434
Less: discounts to net present value	(375,000)	(235,000)
Less: allowance for doubtful pledges	<u>(63,000)</u>	<u>(146,000)</u>
Net unconditional promises to give	<u>\$ 2,718,732</u>	<u>\$ 2,057,434</u>

The Foundation used a risk rate of 5% and 4% for the years ended June 30, 2022 and 2021, respectively, to calculate the net present value.

9. Notes Receivable - Related Parties

The Foundation entered into a promissory note with the College in November 2019. The loan accrued interest at 2.00% and was due and payable the earlier of ten business days following the written demand for payment or breach of any term of the note. In August 2020, the loan to the college was repaid in full along with \$2,400 of interest income. At June 30, 2022 and 2021, the outstanding balance was \$0.

10. Charitable Lead Annuity Trust

The Foundation is the beneficiary of an irrevocable charitable lead annuity trust created in 2013. The trust agreement states that the Foundation will receive annual cash payments starting at \$32,328 which increase 120% annually over the next 15 years. The Foundation recorded amortization of the discount associated with the estimated present value of the receivable in the amounts of \$7,025 and \$62,232 as a contribution for the years ended June 30, 2022 and 2021. During the year ended June 30, 2022, the Foundation determined the discount rate used should be increased from 4% to 5% due to market conditions.

The status of the amounts recorded under the charitable lead annuity trust are as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Remaining annual payments	\$ 1,760,332	\$ 1,882,009
Less: Discount at 4 percent	<u>(308,011)</u>	<u>(315,037)</u>
Present value of amounts receivable	1,452,321	1,566,972
Less: Current portion of present value	<u>(143,092)</u>	<u>(119,243)</u>
Long term portion of present value	<u>\$ 1,309,229</u>	<u>\$ 1,447,729</u>

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
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10. Charitable Lead Annuity Trust (Continued)

The charitable lead annuity trust is scheduled to be received as follows:

Within one year	\$ 143,092
Two to five years	1,303,874
Thereafter	<u>313,366</u>
	<u>\$ 1,760,332</u>

11. Charitable Split Interest Annuity

The Foundation is the beneficiary of a charitable split interest annuity created in 2021. The agreement states that the Foundation will receive immediate and unrestricted title to contributed assets and in exchange will make fixed recurring payments over a stipulated period. Contributed assets are recorded at the fair value of the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and a rate-adjusted discount rate of 1.4%. The excess of contributed assets over the annuity liability is recorded as contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income. As of June 30, 2022, assets held under the gift are \$168,373 and the liability is \$65,399.

12. Designated Net Assets

Net assets with board designations are designated for the following purposes:

	<u>2022</u>	<u>2021</u>
Business Services Facilities	\$ 414,623	\$ 465,619
Stephen Scott Applied Benchmarking	<u>912,216</u>	<u>1,214,056</u>
	<u>\$ 1,326,839</u>	<u>\$ 1,679,675</u>

13. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as follows:

Subject to expenditure for specified purpose:

	<u>2022</u>	<u>2021</u>
Student Success and Support	\$ 827,622	\$ 2,378,606
College Educational Support	3,124,853	
Grant Programs	664,020	2,129,985
Programs and Special Operations	<u>3,133,188</u>	<u>2,879,434</u>
	<u>7,749,683</u>	<u>7,388,025</u>

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13. Net Assets with Donor Restrictions (Continued)

Endowments:

Subject to appropriation and expenditure when a specified event occurs:

Student Support (Scholarships, Foster Care Program, Curriculum)	1,363,904	2,281,473
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Subject to endowment spending policy and appropriation:

Student Support (Scholarships, Foster Care Program, Curriculum)	10,598,971	9,031,822
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Total Net Assets with Donor Restrictions	\$ 19,712,558	\$ 18,701,320
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Satisfaction of Purpose Restrictions:		
Gift in Kind	\$ 2,425,218	\$ 1,816,706
Scholarships	517,221	678,825
Equipment and Supplies	153,669	99,841
General Program Support	152,228	19,507
Event and Meal Expenses	166,108	99,247
Other Expenses	593,093	245,712
	\$ 4,007,537	\$ 2,959,838

14. Related Party Transactions

During the years ended June 30, 2022 and 2021, the College provided office space, utilities, hardware, software, and other office equipment to the Foundation without charge. The Foundation recognized operating costs of \$17,018 and \$3,969 for the years ended June 30, 2022 and 2021, respectively.

Under an operating agreement between the College and the Foundation for the years ended June 30, 2022 and 2021, the College agreed to retain and fund experienced personnel for the Foundation. The employees are considered employees of the College. With the adoption of FASB ASC 958-720-50-3, the Foundation recognized personnel costs of \$928,460 and \$810,818 for the years ended June 30, 2022 and 2021.

The Foundation entered into a note receivable agreement in November 2019 with the College for \$120,000 at 2% interest. The college repaid the note in full in August 2020 along with \$2,400 of interest income. Refer to Note 9.

The Foundation received gifts-in-kind from board members for services rendered during the years ended June 30, 2022 and 2021 totaling \$14,900 and \$0, respectively.

All accounts payable are owed to the College under an agreement with the College that includes reimbursement for related expenses.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
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14. Related Party Transactions (Continued)

The Foundation paid a board member for tax services rendered for the years ended June 30, 2022 and 2021 totaled \$2,050 and \$4,000, respectively.

15. Leases

The Foundation leases rooftop space under an operating lease with the College that expires July 2032 and requires an annual payment of \$4,000. The rooftop space is used to house solar energy equipment leased under a separate lease with a bank.

During 2012, the Foundation constructed and subsequently sold solar energy equipment to a bank at a cost of \$1,246,366. Concurrent with the sale, the Foundation leased back the equipment under an operating lease with the bank for 10 years with monthly payments of \$2,898. The transaction was accounted for as a sale-leaseback transaction by the Foundation. The lease is considered an operating lease. The solar equipment generates energy rebates which are paid for by the utility company.

Total rent expense for the rooftop space for the years ended June 30, 2022 and 2021 was \$4,000. Total lease expense for the solar energy equipment for the years ended June 30, 2022 and 2021 was \$34,776.

Total future minimum lease payments under these leases are as follows:

Year Ending June 30	Rent Amount	Lease Amount
2023	\$ 4,000	\$ 11,592
2024	4,000	
2025	4,000	
2026	4,000	
2027	4,000	
Thereafter	16,000	
Total	\$ 36,000	\$ 11,592

16. Income Taxes

The provision for income taxes for Wake Tech Innovations, Inc. is as follows for the years ended June 30:

	2022	2021
Federal	\$ 4,046	\$ 2,382
State		678
Provision for Income Taxes	\$ 4,046	\$ 3,060

There were no temporary book/tax differences during the years ended June 30, 2022 and 2021.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
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17. Concentrations

Forty two percent (42%) of pledges receivable at June 30, 2022 were due from two donors. Forty nine percent (49%) of pledges receivable at June 30, 2021 were due from three donors. The Foundation received support in the form of a gift-in-kind of approximately 67% from three donors for the year ended June 30, 2022. The Foundation received support in the form of a gift-in-kind of approximately 81% from three donors for the year ended June 30, 2021. A significant reduction in this level of support, if it were to occur, could have a significant impact on the Foundation's programs and activities.

18. Contributed Services and Materials

Contributed specialized services and property and equipment for the years ended June 30, 2022 and 2021, were as follows:

	2022	2021
Payroll Services	\$ 928,460	\$ 810,818
Faculty, Clinical, Labs and Nursing Educators	1,518,040	1,507,472
Professional Services Supplies	632,040	
Student Training Supplies	153,369	225,043
Other	144,290	115,393
	\$ 3,376,199	\$ 2,658,726

*Payroll Services*

The Foundation receives donated services of employees of the College that would typically be paid for. These services are recognized as in-kind contributions as they fall under ASU 2013-06. The in-kind contribution and offsetting expense are recognized as the services are rendered. The estimated fair value of these services are based on actual costs to the College.

*Faculty, Clinical, Labs and Nursing Educators*

The Foundation receives the services of faculty, clinical, labs and nursing educators that are considered professional services. These services, which require specialized skills, are recognized as in-kind contributions and offsetting expense at fair value when the services are rendered. The estimated fair value of these services are provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered.

*Supplies*

The Foundation receives supplies for professional services and student training. These supplies are recognized as in-kind contributions and offsetting expenses as they are consumed. The estimated fair value of these supplies are provided by the donor who estimates the fair value based on the date received and nature of the item.

19. Prior Year Information

The statements of activities and functional expenses include certain prior-year summarized comparative information in total but not by net asset class and functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's consolidation financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
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20. Subsequent Events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 6, 2022, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**SCHEDULE OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
June 30, 2022

	Wake Technical Community College Foundation, Inc.	Wake Tech Innovations, Inc.	Eliminations	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 3,365,292	\$ 77,935	\$	\$ 3,443,227
Related Party Receivable	148,000		(148,000)	
Sales Tax Receivable	11,150			11,150
Investments	16,048,545			16,048,545
Pledges Receivable - Net	984,333			984,333
Charitable Lead Annuity Trust - Current Portion	143,092			143,092
<b>Total Current Assets</b>	<b>20,700,412</b>	<b>77,935</b>	<b>(148,000)</b>	<b>20,630,347</b>
Property and Equipment:				
Software	128,319			128,319
Accumulated Depreciation	(128,319)			(128,319)
<b>Net Property and Equipment</b>				
Other Assets:				
Pledges Receivable - Net	1,734,399			1,734,399
Land Held for Sale	1,016,231			1,016,231
Charitable Lead Annuity Trust - Net	1,309,229			1,309,229
Charitable Split Annuity Trust Investments	168,373 (76,770)		76,770	168,373
<b>Total Other Assets</b>	<b>4,151,462</b>		<b>76,770</b>	<b>4,228,232</b>
<b>Total Assets</b>	<b>\$ 24,851,874</b>	<b>\$ 77,935</b>	<b>\$ (71,230)</b>	<b>\$ 24,858,579</b>
<b>LIABILITIES, EQUITY, AND NET ASSETS</b>				
Liabilities:				
Accounts Payable	\$ 21	\$	\$	\$ 21
Income Taxes Payable		6,705		6,705
Charitable Split Annuity Payable - Current Portion	16,419			16,419
Related Party Loan		148,000	(148,000)	
<b>Total Current Liabilities</b>	<b>16,440</b>	<b>154,705</b>	<b>(148,000)</b>	<b>23,145</b>
<b>Charitable Split Annuity - Net</b>	<b>48,980</b>			<b>48,980</b>
<b>Total Liabilities</b>	<b>65,420</b>	<b>154,705</b>	<b>(148,000)</b>	<b>72,125</b>
Equity:				
Retained Earnings (Deficit)		(76,770)	209,040	132,270
<b>Total Equity</b>		<b>(76,770)</b>	<b>209,040</b>	<b>132,270</b>
Net Assets:				
Without Donor Restrictions:				
Undesignated	3,747,057		(132,270)	3,614,787
Designated by the Board	1,326,839			1,326,839
With Donor Restrictions:				
Perpetual in Nature	10,598,971			10,598,971
Purpose Restrictions	9,113,587			9,113,587
<b>Total Net Assets</b>	<b>24,786,454</b>		<b>(132,270)</b>	<b>24,654,184</b>
<b>Total Liabilities, Equity, and Net Assets</b>	<b>\$ 24,851,874</b>	<b>\$ 77,935</b>	<b>\$ (71,230)</b>	<b>\$ 24,858,579</b>

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**SCHEDULE OF CONSOLIDATING STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022

	Wake Technical Community College Foundation, Inc.	Wake Tech Innovations, Inc.	Eliminations	Total
<b>Support and Revenues:</b>				
Contributions	\$ 3,860,579	\$	\$	\$ 3,860,579
Investment Earnings	(2,916,406)			(2,916,406)
Gifts - in - Kind	3,376,199			3,376,199
Product Sales	21,742			21,742
Interest Income	12,329		(9,300)	3,029
Other Income	25,495		(9,760)	15,735
<b>Total Support and Revenues</b>	<b>4,379,938</b>		<b>(19,060)</b>	<b>4,360,878</b>
<b>Program Expenses:</b>				
Scholarship Support	704,253			704,253
Fostering Bright Futures	44,645			44,645
College Support	2,792,257			2,792,257
College Initiatives	672,519			672,519
Administrative and General	659,216			659,216
Fundraising	453,928			453,928
<b>Total Expenses</b>	<b>5,326,818</b>			<b>5,326,818</b>
<b>Change in Net Assets</b>	<b>(946,880)</b>		<b>(19,060)</b>	<b>(965,940)</b>
<b>Sales and Revenue:</b>				
Energy Rebate		78,732		78,732
Other Income		6		6
<b>Total Sales and Revenue</b>		<b>78,738</b>		<b>78,738</b>
<b>Expenses:</b>				
Management and General		70,432	(14,800)	55,632
<b>Total Expenses</b>		<b>70,432</b>	<b>(14,800)</b>	<b>55,632</b>
<b>Net Income</b>				
Before Taxes		8,306	14,800	23,106
Income Taxes		4,046		4,046
<b>Net Income</b>		<b>4,260</b>	<b>14,800</b>	<b>19,060</b>
<b>Retained Earnings (Deficit), Beginning of Year</b>				
		(81,030)	194,240	113,210
<b>Retained Earnings (Deficit), End of Year</b>				
		(76,770)	209,040	132,270
<b>Net Assets, Beginning of Year</b>				
	25,733,334		(113,210)	25,620,124
<b>Net Assets, End of Year</b>				
	<b>\$ 24,786,454</b>	<b>\$</b>	<b>\$ (132,270)</b>	<b>\$ 24,654,184</b>

**WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES**  
**SCHEDULE OF CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2022

	Wake Technical Community College Foundation, Inc.						Wake Tech Innovations, Inc.		
	Scholarships	Fostering Bright Futures	College Support	Program Support	Total Program Support	Administrative and General	Fundraising	Administrative and General	Total
Gifts - in - Kind	\$	\$ 11,963	\$ 2,190,140	\$ 223,115	\$ 2,425,218	\$ 540,201	\$ 422,205	\$	\$ 3,387,624
General Program Support			18,376	144,376	162,752				162,752
Scholarships	646,936	1,500			648,436				648,436
Student Financial Assistance and Grants	57,317	24,820			82,137				82,137
Tuition Assistance			64,395		64,395				64,395
Faculty Recognition						10,359			10,359
Event Expenses		4,343	135,933		140,276	6,003			146,279
Professional Service Contracts		450	66,585	1,180	68,215	54,762			122,977
Travel and Meeting Expense		1,050	6,454	5,663	13,167	1,396			14,563
Audit and Tax Compliance Fees						13,095			13,095
Support and Training			144,197	16,199	160,396	1,499			161,895
Supplies		257	59,281	94,132	153,670	15,772			169,442
Meals/Food		15	9,320	16,498	25,833	15,189	4,551		45,573
Repairs and Maintenance								9,854	9,854
Salaries			94,895	165,996	260,891	16			260,907
Dues, Subscriptions, and Memberships			1,189	4,840	6,029	42,917			48,946
Printing, Postage, and Publications		28	13	129	170	803	5,317		6,290
Donor Recognition						7,700	21,855		29,555
Bad Debt Expense, Net of Recoveries						(69,785)			(69,785)
Banking Fees		219	719	391	1,329	6,614			7,943
Rent Expense								4,000	4,000
Lease Expense								38,916	38,916
Other			760		760	12,675		2,862	16,297
	<u>\$ 704,253</u>	<u>\$ 44,645</u>	<u>\$ 2,792,257</u>	<u>\$ 672,519</u>	<u>\$ 4,213,674</u>	<u>\$ 659,216</u>	<u>\$ 453,928</u>	<u>\$ 55,632</u>	<u>\$ 5,382,450</u>