

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

Consolidated Financial Statements

June 30, 2021
(With Comparative Totals as of June 30, 2020)

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7 - 20
SUPPLEMENTARY INFORMATION	
Schedule of Consolidating Statement of Financial Position	21
Schedule of Consolidating Statement of Activities	22
Schedule of Consolidating Statement of Functional Expenses	23



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

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, 2021, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited Wake Technical Community College Foundation, Inc. and subsidiaries' 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed on pages 21 to 23 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.

Thomas, Judy & Duck, P.A.

Raleigh, North Carolina
August 25, 2021

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Comparative Totals as of June 30, 2020)

	2021			2020
	Without Restrictions	With Restrictions	Total	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 4,024,771	\$	\$ 4,024,771	\$ 2,563,030
Sales Tax Receivable	7,312		7,312	2,753
Investments	2,726,742	14,336,532	17,063,274	12,612,294
Pledges Receivable - Current	5,000	830,434	835,434	737,067
Charitable Lead Annuity Trust - Current		119,243	119,243	99,369
Notes Receivable - Related Parties				120,000
Total Current Assets	6,763,825	15,286,209	22,050,034	16,134,513
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	3,437	1,218,563	1,222,000	1,424,934
Land Held for Sale	267,412	748,819	1,016,231	1,016,231
Charitable Lead Annuity Trust - Net		1,447,729	1,447,729	1,506,727
Total Other Assets	270,849	3,415,111	3,685,960	3,947,892
Total Assets	\$ 7,034,674	\$ 18,701,320	\$ 25,735,994	\$ 20,082,405
LIABILITIES, EQUITY, AND NET ASSETS				
Liabilities:				
Income Taxes Payable	\$ 2,660	\$	\$ 2,660	\$
Accounts Payable				154
Total Liabilities	2,660		2,660	154
Equity:				
Retained Earnings	113,210		113,210	93,812
Total Equity	113,210		113,210	93,812
Net Assets:				
Without Donor Restrictions:				
Undesignated	5,239,129		5,239,129	4,019,516
Designated by the Board	1,679,675		1,679,675	1,528,721
With Donor Restrictions:				
Perpetual in Nature		9,031,822	9,031,822	7,632,646
Purpose Restrictions		9,669,498	9,669,498	6,807,556
Total Net Assets	6,918,804	18,701,320	25,620,124	19,988,439
Total Liabilities, Equity, and Net Assets	\$ 7,034,674	\$ 18,701,320	\$ 25,735,994	\$ 20,082,405

See Accompanying Notes

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenues:				
Contributions	\$ 224,126	\$ 3,613,646	\$ 3,837,772	\$ 3,759,518
Investment Earnings (Losses)	1,404,627	1,779,403	3,184,030	(7,193)
Gifts - in - Kind	861,283	1,797,443	2,658,726	3,179,297
Product Sales		24,383	24,383	21,093
Interest Income	5,976		5,976	25,432
Other Income		6,081	6,081	2,477
Total Support and Revenues	<u>2,496,012</u>	<u>7,220,956</u>	<u>9,716,968</u>	<u>6,980,624</u>
Net Assets Released from Restrictions	<u>2,959,838</u>	<u>(2,959,838)</u>		
Program Expenses:				
Scholarship Support	831,086		831,086	755,924
Fostering Bright Futures	117,010		117,010	104,711
College Support	2,116,166		2,116,166	2,334,019
College Initiatives	230,069		230,069	372,103
General and Administrative	498,313		498,313	868,910
Fundraising	292,639		292,639	469,983
Total Expenses	<u>4,085,283</u>		<u>4,085,283</u>	<u>4,905,650</u>
Change in Net Assets	<u>1,370,567</u>	<u>4,261,118</u>	<u>5,631,685</u>	<u>2,074,974</u>
Sales and Revenue:				
Energy Rebate	71,145		71,145	74,865
Other Income	10		10	82
Total Sales and Revenue	<u>71,155</u>		<u>71,155</u>	<u>74,947</u>
Expenses:				
Management and General	48,697		48,697	55,048
Total Expenses	<u>48,697</u>		<u>48,697</u>	<u>55,048</u>
Net Income Before Income Taxes	22,458		22,458	19,899
Income Taxes	3,060		3,060	4,800
Net Income	<u>19,398</u>		<u>19,398</u>	<u>15,099</u>
Retained Earnings, Beginning of Year	<u>93,812</u>		<u>93,812</u>	<u>78,713</u>
Retained Earnings, End of Year	<u>113,210</u>		<u>113,210</u>	<u>93,812</u>
Net Assets, Beginning of Year	<u>5,548,237</u>	<u>14,440,202</u>	<u>19,988,439</u>	<u>17,913,465</u>
Net Assets, End of Year	<u>\$ 6,918,804</u>	<u>\$ 18,701,320</u>	<u>\$ 25,620,124</u>	<u>\$ 19,988,439</u>

See Accompanying Notes

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021							2020	
	Scholarships	Fostering Bright Futures	Program College Support	Program Support	Total Program	Administrative and General	Fundraising	Total	
Gifts - in - Kind	\$ 65,037	\$ 15,737	\$ 1,827,540	\$ 101,266	\$ 2,009,580	\$ 387,358	\$ 280,471	\$ 2,677,409	\$ 3,179,296
General Program Support			58,174	18,726	76,900			76,900	141,209
Scholarships	678,824				678,824			678,824	691,969
Foster Care Program		60,757			60,757			60,757	104,646
Student Financial Assistance and Grants	87,225				87,225			87,225	101,262
Tuition Assistance			59,201		59,201			59,201	
Faculty Recognition						7,430		7,430	57,941
Event Expenses			94,960	2,732	97,692	4,195		101,887	103,907
Professional Service Contracts			15,100	3,400	18,500	2,671		21,171	22,155
Travel and Meeting Expense			1,695	3,860	5,555	(248)		5,307	16,791
Audit and Tax Compliance Fees						15,500		15,500	12,000
Support and Training			2,244	1,559	3,803	959		4,762	48,111
Supplies			43,509	56,332	99,841	24,448		124,289	160,262
Meals/Food			(1,080)	2,635	1,555	2,210	4,115	7,880	60,591
Repairs and Maintenance						3,307		3,307	7,020
Salaries		40,113	12,384	37,407	89,904	34,436		124,340	62,964
Dues, Subscriptions, and Memberships			860	971	1,831	22,821		24,652	20,652
Printing, Postage, and Publications			1,237	841	2,078	782	4,632	7,492	16,000
Donor Recognition						103	3,421	3,524	5,544
Bad Debt Expense, Net of Recoveries						(9,975)		(9,975)	92,000
Banking Fees		403	342	340	1,085	1,374		2,459	3,360
Rent Expense						4,000		4,000	4,000
Lease Expense						37,303		37,303	37,303
Other						8,336		8,336	11,715
	<u>\$ 831,086</u>	<u>\$ 117,010</u>	<u>\$ 2,116,166</u>	<u>\$ 230,069</u>	<u>\$ 3,294,331</u>	<u>\$ 547,010</u>	<u>\$ 292,639</u>	<u>\$ 4,133,980</u>	<u>\$ 4,960,698</u>

See Accompanying Notes

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets and Net Income	\$ 5,651,083	\$ 2,090,073
Adjustments to Reconcile Changes in Net Assets and Net Income to Net Cash Provided (Used) by Operating Activities:		
Amortization of Charitable Lead Annuity Trust	(62,340)	(63,376)
Net (Appreciation) Depreciation in Fair Value of Investments	(2,261,362)	341,354
Net Realized (Gain) Loss on Sale of Investments	(625,430)	67,421
Change in Discount on Long Term Pledges Receivable	(69,000)	213,000
Change in Allowance for Doubtful Accounts	(11,000)	82,000
Changes in Assets and Liabilities:		
Sales Tax Receivables	(4,559)	63
Pledges Receivable	184,567	(1,380,049)
Charitable Lead Annuity Trust	101,464	84,431
Accounts Payable	(154)	(10,073)
Income Taxes Payable	2,660	
Contributions Restricted for Long Term Purposes	<u>(1,389,702)</u>	<u>(1,699,904)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,516,227</u>	<u>(275,060)</u>
Cash Flows from Investing Activities:		
Proceeds on Sale of Investments	13,366,599	1,368,778
Purchase of Investments	(14,930,787)	(2,330,832)
Notes Receivable to Related Parties	<u>120,000</u>	<u>(120,000)</u>
Net Cash Used by Investing Activities	<u>(1,444,188)</u>	<u>(1,082,054)</u>
Cash Flows from Financing Activities:		
Collections of Contributions Restricted for Long Term Purposes	<u>1,389,702</u>	<u>1,699,904</u>
Net Cash Provided by Financing Activities	<u>1,389,702</u>	<u>1,699,904</u>
Net Increase in Cash and Cash Equivalents	1,461,741	342,790
Cash and Cash Equivalents, Beginning of Year	<u>2,563,030</u>	<u>2,220,240</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,024,771</u>	<u>\$ 2,563,030</u>

See Accompanying Notes

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

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:

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.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

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

Financial Statement Presentation (Continued)

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.

The Foundation has adopted FASB ASC 958-720-50-3 and subsections as it relates to *Related Party Transactions and Common Control* and 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.

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, 2021 and 2020, the Foundation had \$2,450,045 and \$1,712,578 of cash equivalents, respectively.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2021
 (With Comparative Totals as of June 30, 2020)

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, 2021 and 2020, 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, 2021 and 2020, there were no interest or penalties recorded or included in the consolidated financial statements.

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, 2021 and 2020 was \$0.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2021
 (With Comparative Totals as of June 30, 2020)

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

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.

2. Availability and Liquidity

The following represents the Foundation’s financial assets as of June 30, 2021:

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 4,024,771
Sales Tax Receivable	7,312
Investments	17,063,274
Pledges Receivable – Current	835,434
Charitable Lead Annuity Trust, Current	119,243
Total financial assets	<u>22,050,034</u>
Less amounts not available to be used within one year:	
Donor-Restricted Funds for Purpose	9,669,498
Perpetual Endowments	9,031,822
Board Designated Funds	<u>1,679,675</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,669,039</u>

The Foundation’s board-designated funds as of June 30, 2021 were \$1,679,675 is 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.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

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, 2021, the Foundation's uninsured cash balances totaled \$2,109,750.

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, 2021 and 2020, the Foundation had a balance of \$1,084,629 and \$641,508, respectively, on deposit with the State Treasurer.

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, 2021, 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: <ul style="list-style-type: none">• 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. |

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

5. Fair Value Measurements (Continued)

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.

As of June 30, 2021 and 2020, all of the Foundation's financial instruments are as follows:

	2021		
	Level 1	Level 2	Total
<i>Financial Assets:</i>			
Mutual Funds:			
U.S. Equity	\$ 7,974,107	\$	\$ 7,974,107
Fixed Income	2,704,853		2,704,853
International Equities	3,001,073		3,001,073
Real Estate Investment Trusts	513,961		513,961
Strategic Alternative	1,349,625		1,349,625
Commodities	528,604		528,604
U.S. Government and Agency Bond		383,822	383,822
Corporate Obligations		607,229	607,229
	<u>\$ 16,072,223</u>	<u>\$ 991,051</u>	<u>\$ 17,063,274</u>
Total			
	2020		
	Level 1	Level 2	Total
<i>Financial Assets:</i>			
Mutual Funds:			
U.S. Equity	\$ 5,359,382	\$	\$ 5,359,382
Fixed Income	3,157,258		3,157,258
International Equities	1,266,029		1,266,029
Real Estate Investment Trusts	195,055		195,055
Strategic Alternative	935,255		935,255
Commodities	187,959		187,959
U.S. Government and Agency Bond		744,969	744,969
Corporate Obligations		766,387	766,387
	<u>\$ 11,100,938</u>	<u>\$ 1,511,356</u>	<u>\$ 12,612,294</u>
Total			

Investments are reported at fair market values based on quotation from national securities exchanges or brokerage firms.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

6. Investments

The fair value of investments at June 30, 2021 and 2020 is comprised of the following:

	2021		
	Fair Value	Cost	Unrealized Gain (Loss)
<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	607,229	592,841	14,388
Total	\$ 17,063,274	\$ 14,536,343	\$ 2,526,931
	2020		
	Fair Value	Cost	Unrealized Gain (Loss)
<i>Financial Assets:</i>			
Mutual Funds	\$ 11,100,938	\$ 10,918,323	\$ 182,615
U.S. Government and Agency Bonds	744,969	703,231	41,738
Corporate Obligations	766,387	724,663	41,724
Total	\$ 12,612,294	\$ 12,346,217	\$ 266,077

The Foundation's investment income (losses) consisted of the following items for the years ended June 30, 2021 and 2020:

	2021	2020
Realized Gains (Losses) on Investments	\$ 625,430	\$ (69,507)
Interest and Dividends	353,926	449,946
Unrealized Gains (Losses) on Investments	2,261,362	(341,353)
Investment Fees	(56,688)	(46,279)
Total	\$ 3,184,030	\$ (7,193)

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 US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

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 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:

	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
Total	\$ 1,403,960	\$ 11,313,295	\$ 12,717,255
	2020		
	Without Donor Restriction	With Donor Restriction	Total
Board Designated Funds	\$ 1,464,159	\$	\$ 1,464,159
Donor Restricted Endowment Funds:			
Funds to be Kept in Perpetuity		7,632,646	7,632,646
Accumulated Investment Gains		793,700	793,700
Total	\$ 1,464,159	\$ 8,426,346	\$ 9,890,505

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.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

7. Endowment Fund (Continued)

No investments of a single issuer (with the exception of the U.S. Government and its agencies) should exceed 10% (at cost) of the total assets contained in any one manager's portfolio. The fixed income portfolio will have an overall Standard and Poor's rating or a Moody's rating of Investment Grade or higher, and the duration will not exceed the Bloomberg Barclays Aggregate Bond Index by 1 ½ years. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's or Moody's.

The investment manager is prohibited from investing in private placements and from speculating in fixed income or interest rate futures, swaps and derivatives.

The Foundation's goal is to yield investment return over a five-year period such that each endowment may fund payouts of 4% per year, based on the size of the endowment, toward the scholarship or other intended purpose. In years where the investment income is negative 5% or greater, no allocations are authorized without a specific vote of the Board of Directors.

Changes in the endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, June 30, 2019:	\$ 1,460,200	\$ 6,780,395	\$ 8,240,595
Investment Income	3,959	24,133	28,092
Contributions		1,699,904	1,699,904
Payout of endowment assets for expenditure		<u>(78,086)</u>	<u>(78,086)</u>
Endowment net assets, June 30, 2020:	1,464,159	8,426,346	9,890,505
Investment Income	232,818	1,799,403	2,032,221
Contributions		1,389,702	1,389,702
Transfers of Funds	(293,017)		(293,017)
Payout of endowment assets for expenditure		<u>(302,156)</u>	<u>(302,156)</u>
Endowment net assets, June 30, 2021:	<u>\$ 1,403,960</u>	<u>\$ 11,313,295</u>	<u>\$ 12,717,255</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below what the donor requires the Foundation to retain as with donor restrictions. Deficiencies of this nature result from unfavorable market fluctuations and would be included in without donor restricted net assets. As of June 30, 2021 and 2020, there were no deficiencies.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

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>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 835,434	\$ 737,067
Receivable in one to ten years	<u>1,603,000</u>	<u>1,885,934</u>
Total unconditional promises to give	2,438,434	2,623,001
Less: discounts to net present value	(235,000)	(304,000)
Less: allowance for doubtful pledges	<u>(146,000)</u>	<u>(157,000)</u>
Net unconditional promises to give	<u>\$ 2,057,434</u>	<u>\$ 2,162,001</u>

9. Notes Receivable - Related Parties

The Foundation entered into a promissory note with the College in November 2019. The loan accrues interest at 2.00% and is 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, 2021 and 2020, the outstanding balance was \$0 and \$120,000, respectively.

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 \$62,232 and \$63,376 as a contribution for the years ended June 30, 2021 and 2020.

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

	<u>2021</u>	<u>2020</u>
Remaining annual payments	\$ 1,882,009	\$ 1,983,472
Less: Discount at 4 percent	<u>(315,037)</u>	<u>(377,376)</u>
Present value of amounts receivable	1,566,972	1,606,096
Less: Current portion of present value	<u>(119,243)</u>	<u>(99,369)</u>
Long term portion of present value	<u>\$ 1,447,729</u>	<u>\$ 1,506,727</u>

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

Within one year	\$ 119,243
Two to five years	783,792
Thereafter	<u>978,974</u>
	<u>\$ 1,882,009</u>

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2021
 (With Comparative Totals as of June 30, 2020)

11. Designated Net Assets

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

	<u>2021</u>	<u>2020</u>
Business Services Facilities	\$ 465,619	\$ 482,893
Stephen Scott Applied Benchmarking	<u>1,214,056</u>	<u>1,045,828</u>
	<u>\$ 1,679,675</u>	<u>\$ 1,528,721</u>

12. 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>2021</u>	<u>2020</u>
Student Success and Support	\$ 2,378,606	\$ 1,886,815
College Educational Support	2,129,985	1,901,116
Programs and Special Operations	<u>2,879,434</u>	<u>2,225,925</u>
	<u>7,388,025</u>	<u>6,013,856</u>

Endowments:

Subject to appropriation and expenditure when a specified event occurs:

Student Support (Scholarships, Foster Care Program, Curriculum)	<u>2,281,473</u>	<u>793,700</u>
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Subject to endowment spending policy and appropriation:

Student Support (Scholarships, Foster Care Program, Curriculum)	<u>9,031,822</u>	<u>7,632,646</u>
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Total Net Assets with Donor Restrictions	<u>\$ 18,701,320</u>	<u>\$ 14,440,202</u>
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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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions:		
Gift in Kind	\$ 1,816,706	\$ 2,175,938
Scholarships	678,825	678,835
Equipment and Supplies	99,841	146,536
General Program Support	19,507	143,409
Event and Meal Expenses	99,247	71,733
Other Expenses	<u>245,712</u>	<u>214,627</u>
	<u>\$ 2,959,838</u>	<u>\$ 3,491,031</u>

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

13. Related Party Transactions

During the years ended June 30, 2021 and 2020, the College provided office space, utilities, hardware, software, and other office equipment to the Foundation without charge. The amounts are considered immaterial and therefore not recorded as in-kind contributions.

Under an operating agreement between the College and the Foundation for the years ended June 30, 2021 and 2020, 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 \$810,818 and \$784,631 and other costs of \$3,969 and \$31,448 for the years ended June 30, 2021 and 2020, respectively.

The Foundation entered into a note receivable agreement in November 2019 with the College for \$120,000 and 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, 2021 and 2020 totaling \$0 and \$14,000, respectively.

The Foundation paid the former executive director consulting fees for services rendered for the years ended June 30, 2021 and 2020 totaled \$0 and \$299, respectively.

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

The Foundation paid a board member for tax services rendered for the years ended June 30, 2021 and 2020 totaled \$4,000 and \$0, respectively.

14. 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, 2021 and 2020 was \$4,000. Total lease expense for the solar energy equipment for the years ended June 30, 2021 and 2020 was \$34,776.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

14. Leases (Continued)

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

Year Ending June 30	Rent Amount	Lease Amount
2022	\$ 4,000	\$ 11,592
2023	4,000	
2024	4,000	
2025	4,000	
2026	4,000	
Thereafter	20,000	
Total	\$ 40,000	\$ 11,592

15. Income Taxes

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

	2021	2020
Federal	\$ 2,382	\$ 4,000
State	382	800
Provision for Income Taxes	\$ 3,060	\$ 4,800

There were no temporary book/tax differences during the years ended June 30, 2021 and 2020.

16. Concentrations

Forty nine percent (49%) of pledges receivable at June 30, 2021 were due from three donors. Fifty six percent (56%) of pledges receivable at June 30, 2020 were due from three donors. 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. The Foundation received support in the form of a gift-in-kind of approximately 78% from three donors for the year ended June 30, 2020. 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.

17. Contributed Services and Materials

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. Contributed specialized services and property and equipment in the amounts of \$2,658,726 and \$3,179,297 have been recognized in the accompanying consolidated statement of activities for the years ended June 30, 2021 and 2020, respectively.

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021
(With Comparative Totals as of June 30, 2020)

18. 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, 2020, from which the summarized information was derived.

19. 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 August 25, 2021, 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, 2021

	Wake Technical Community College Foundation, Inc.	Wake Tech Innovations, Inc.	Eliminations	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,943,141	\$ 81,630	\$	\$ 4,024,771
Related Party Receivable	160,000		(160,000)	
Sales Tax Receivable	7,312			7,312
Investments	17,063,274			17,063,274
Pledges Receivable - Net	835,434			835,434
Charitable Lead Annuity Trust - Current Portion	119,243			119,243
Total Current Assets	22,128,404	81,630	(160,000)	22,050,034
Property and Equipment:				
Software	128,319			128,319
Accumulated Depreciation	(128,319)			(128,319)
Net Property and Equipment				
Other Assets:				
Pledges Receivable - Net	1,222,000			1,222,000
Land Held for Sale	1,016,231			1,016,231
Charitable Lead Annuity Trust - Net	1,447,729			1,447,729
Investments	(81,030)		81,030	
Total Other Assets	3,604,930		81,030	3,685,960
Total Assets	\$ 25,733,334	\$ 81,630	\$ (78,970)	\$ 25,735,994
LIABILITIES, EQUITY, AND NET ASSETS				
Liabilities:				
Income Taxes Payable	\$	\$ 2,660	\$	\$ 2,660
Related Party Loan		160,000	(160,000)	
Total Liabilities		162,660	(160,000)	2,660
Equity:				
Retained Earnings (Deficit)		(81,030)	194,240	113,210
Total Equity		(81,030)	194,240	113,210
Net Assets:				
Without Donor Restrictions:				
Undesignated	5,352,339		(113,210)	5,239,129
Designated by the Board	1,679,675			1,679,675
With Donor Restrictions:				
Perpetual in Nature	9,031,822			9,031,822
Purpose Restrictions	9,669,498			9,669,498
Total Net Assets	25,733,334		(113,210)	25,620,124
Total Liabilities, Equity, and Net Assets	\$ 25,733,334	\$ 81,630	\$ (78,970)	\$ 25,735,994

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
SCHEDULE OF CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Wake Technical Community College Foundation, Inc.	Wake Tech Innovations, Inc.	Eliminations	Total
Support and Revenues:				
Contributions	\$ 3,837,772	\$	\$	\$ 3,837,772
Investment Earnings	3,184,030			3,184,030
Gifts - in - Kind	2,658,726			2,658,726
Product Sales	24,383			24,383
Interest Income	17,582		(11,606)	5,976
Other Income	13,873		(7,792)	6,081
Total Support and Revenues	9,736,366		(19,398)	9,716,968
Program Expenses:				
Scholarship Support	831,086			831,086
Fostering Bright Futures	117,010			117,010
College Support	2,116,166			2,116,166
College Initiatives	230,069			230,069
Administrative and General	498,313			498,313
Fundraising	292,639			292,639
Total Expenses	4,085,283			4,085,283
Change in Net Assets	5,651,083		(19,398)	5,631,685
Sales and Revenue:				
Energy Rebate		71,145		71,145
Other Income		10		10
Total Sales and Revenue		71,155		71,155
Expenses:				
Management and General		65,803	(17,106)	48,697
Total Expenses		65,803	(17,106)	48,697
Net Income				
Before Taxes		5,352	17,106	22,458
Income Taxes		3,060		3,060
Net Income		2,292	17,106	19,398
Retained Earnings (Deficit),				
Beginning of Year		(83,322)	177,134	93,812
Retained Earnings (Deficit),				
End of Year		(81,030)	194,240	113,210
Net Assets, Beginning of Year	20,082,251		(93,812)	19,988,439
Net Assets, End of Year	\$ 25,733,334	\$	\$ (113,210)	\$ 25,620,124

WAKE TECHNICAL COMMUNITY COLLEGE FOUNDATION, INC. AND SUBSIDIARIES
SCHEDULE OF CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Wake Technical Community College Foundation, Inc.						Wake Tech Innovations, Inc.		
	Program					Administrative and General	Fundraising	Administrative and General	Total
	Scholarships	Fostering Bright Futures	College Support	Program Support	Total Program Support				
Gifts - in - Kind	\$ 65,037	\$ 15,737	\$ 1,827,540	\$ 101,266	\$ 2,009,580	\$ 387,358	\$ 280,471	\$	\$ 2,677,409
General Program Support			58,174	18,726	76,900				76,900
Scholarships	678,824				678,824				678,824
Foster Care Program		60,757			60,757				60,757
Student Financial Assistance and Grants	87,225				87,225				87,225
Tuition Assistance			59,201		59,201				59,201
Faculty Recognition						7,430			7,430
Event Expenses			94,960	2,732	97,692	4,195			101,887
Professional Service Contracts			15,100	3,400	18,500	2,671			21,171
Travel and Meeting Expense			1,695	3,860	5,555	(248)			5,307
Audit and Tax Compliance Fees						15,500			15,500
Support and Training			2,244	1,559	3,803	959			4,762
Supplies			43,509	56,332	99,841	24,448			124,289
Meals/Food			(1,080)	2,635	1,555	2,210	4,115		7,880
Repairs and Maintenance								3,307	3,307
Salaries		40,113	12,384	37,407	89,904	34,436			124,340
Dues, Subscriptions, and Memberships			860	971	1,831	22,821			24,652
Printing, Postage, and Publications			1,237	841	2,078	782	4,632		7,492
Donor Recognition						103	3,421		3,524
Bad Debt Expense, Net of Recoveries						(9,975)			(9,975)
Banking Fees		403	342	340	1,085	1,374			2,459
Rent Expense								4,000	4,000
Lease Expense								37,303	37,303
Other						4,249		4,087	8,336
	<u>\$ 831,086</u>	<u>\$ 117,010</u>	<u>\$ 2,116,166</u>	<u>\$ 230,069</u>	<u>\$ 3,294,331</u>	<u>\$ 498,313</u>	<u>\$ 292,639</u>	<u>\$ 48,697</u>	<u>\$ 4,133,980</u>