TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

CROWLEY WECHSLER & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Richard D. Crowley, CPA, CVA
Lisa T. Wechsler, CPA, CFE
Jordan Graham, CPA

Member:
American Institute of CPAs
South Carolina Association of CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Technical College of the Lowcountry Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Technical College of the Lowcountry Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Technical College of the Lowcountry Foundation, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent Technical College of the Lowcountry Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 481
1411 Queen Street
Beaufort, SC 29901
TEL (843) 379-1065 **FAX** (843) 379-1066

www.CWACPAs.com

PO Box 80177
706 Orleans Rd, Suite 102
Charleston, SC 29416
TEL (843) 971-0882 **FAX** (843) 379-1066

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Technical College of the Lowcountry Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Technical College of the Lowcountry Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Crowley Wechsler & Associates LLC

Crowley Wechsler & Associates LLC
Beaufort, South Carolina
September 10, 2025

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	978,447
Cash Restricted		1,612,808
Accounts Receivable		2,548
Total Current Assets		2,593,803
Noncurrent Assets		
Investments		2,330,246
Pledges Receivable		86,400
Lease Receivable		2,696,192
Total Noncurrent Assets		5,112,838
Total Assets	$	7,706,641
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$	8,816
Current Portion of Long-Term Liabilities		809,000
Total Current Liabilities		817,816
Noncurrent Liabilities		
Bond Payable		3,500,000
Total Noncurrent Liabilities		3,500,000
Total Liabilities		4,317,816
Net Assets		
Without Donor Restriction		317,028
With Donor Restriction		3,071,797
Total Net Assets		3,388,825
Total Liabilities and Net Assets	$	7,706,641

The notes to the financial statements are an integral part of this statement.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

WITHOUT DONOR RESTRICTIONS	
Revenues and Support	
Contributions of Cash	$ 101,528
Contributions of Nonfinancial Assets	219,647
Investment Income	33,883
Net Assets Released from Restrictions	515,190
Total Revenues and Support	870,248
Functional Expenses	
Scholarships	202,516
Assistance to Technical College	465,883
General and Administrative	85,740
Fundraising	136,671
Total Functional Expenses	890,810
Changes in Net Assets Without Donor Restrictions	(20,562)
WITH DONOR RESTRICTIONS	
Contributions and Other Increases	251,952
Investment Income	211,659
Special Events	194,435
Less Direct Costs of Fundraising	(39,308)
Net Assets Released from Restrictions	(515,190)
Changes in Net Assets With Donor Restrictions	103,548
Change in Net Assets	82,986
Net Assets, Beginning of Year	3,305,839
Net Assets, End of Year	$ 3,388,825

The notes to the financial statements are an integral part of this statement.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	PROGRAM SERVICES		SUPPORTING SERVICES		
	SCHOLARSHIPS	ASSISTANCE TO TECHNICAL COLLEGE	GENERAL AND ADMINISTRATIVE	FUND RAISING	TOTAL (MEMORANDUM ONLY)
Accounting Fees	$ 5,861	$ -	$ 3,908	$ 5,861	$ 15,630
Event Supplies	-	-	-	8,104	8,104
General Insurance	961	-	641	961	2,563
Grants	-	2,484	-	-	2,484
Office Expense	18,527	-	12,352	18,527	49,406
Postage and Shipping	200	-	132	200	532
Printing	221	-	147	221	589
Rent	11,250	-	7,500	11,250	30,000
Scholarships	73,782	-	-	-	73,782
Staff Development	669	-	445	669	1,783
TCL Employee Compensation	88,352	-	58,902	88,352	235,606
Student Assistance	-	11,560	-	-	11,560
College Assistance	-	422,559	-	-	422,559
TCL President- Supplement	-	29,280	-	-	29,280
Travel and Meeting	2,526	-	1,684	2,526	6,736
Trustees and Bank Fees	167	-	29	-	196
Total Functional Expenses	$ 202,516	$ 465,883	$ 85,740	$ 136,671	$ 890,810

The notes to the financial statements are an integral part of this statement.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash Flows From Operating Activities		
Cash Received without Donor Restriction	$	132,863
Cash Received with Donor Restriction		646,938
Cash Paid for Operating Expenses		(676,036)
Net Cash Provided (Used) by Operating Activities		103,765
Cash Flows From Investing Activities		
Interest and Dividends Reinvested		(45,308)
Investment Fees		16,330
Gains/Losses Reinvested		(182,685)
Contributions to Investment Account		(150,000)
Withdrawals from Investment Account		153,124
Net Cash Provided (Used) by Investing Activities		(208,539)
Cash Flows From Financing Activities		
Lease Receivable for Culinary Institute		(713,654)
Principal Paid on Bond		785,000
Investment Earnings on Project Account		73,605
Project Disbursements		(144,951)
Net Cash Provided (Used) by Financing Activities		-
NET INCREASE (DECREASE) IN CASH		(104,774)
CASH AT BEGINNING OF YEAR		1,083,221
CASH AT END OF YEAR	$	978,447
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Net Assets	$	82,986
Provided (Used) by Operating Activities		
(Increase) Decrease in Accounts Receivable		25,652
Increase (Decrease) in Accounts Payable		(4,873)
Total Adjustments		20,779
Net Cash Provided (Used) by Operating Activities	$	103,765

The notes to the financial statements are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The Technical College of the Lowcountry Foundation, Inc. (Foundation) is a South Carolina not-for-profit organization incorporated in 1983. The Foundation is a legally separate, tax-exempt component unit of the Technical College of the Lowcountry (College). The Foundation is constituted for charitable and educational purposes, specifically to solicit, receive, administer and donate funds and property for the encouragement, support and furtherance of the educational and professional goals of the Technical College of the Lowcountry located in Beaufort, South Carolina. Because the resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College.

Basis of Presentation: The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Financial Accounting Standards Board (FASB) establishes the FASB Accounting Standards Codification as the source of authoritative United States generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. This authoritative guidance has been applied in the preparation of the Foundation's financial statements. The following accounting policies are presented to facilitate the understanding of information presented in the financial statements.

The financial statements of the Organization have been prepared according to the FASB issued Accounting Standards Update 2016-14, Not-for-Profit (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This was meant to improve the presentation of financial statements and disclosures of not-for profit organizations by providing more relevant information about their resources, and changes in those resources, to their donors, grantors, creditors and other users. The new guidance requires not-for-profit entities to present the amount for each of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions.

Contributions: Contributions received, including unconditional pledges, are recognized as revenue when donors' commitments are received. Pledges made and collected in the same reporting period are recorded when received in the appropriate net asset category. Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor.

Grants and other contributions of cash and other nonfinancial assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Interest and dividends are recorded in net assets without donor restrictions. Investment earnings with donor restrictions are recorded in net assets with donor restrictions based on the nature of the restrictions.

Cash and Cash Equivalents: The Foundation considers cash in operating bank accounts, cash on hand, certificates of deposit, U.S. Treasury bills, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements: The Financial Accounting Standards Board (FASB) guidance on 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 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. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially that full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Equipment: Donated property and equipment is recorded at fair value at the date of the donation. All other equipment is recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets set at 5 years.

Functional Allocation of Expenses: Functional expenses are specifically allocated whenever practical or are allocated based on program and service utilization.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Spending Policy: The Board has adopted a formal spending policy governing the Endowment and Special Scholarship Funds. Up to 4.5% for scholarships and 0.5% for administrative expenses of the average market value over the preceding three years may be expended in any fiscal year.

Income Tax Status: The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1) and has been classified as an organization other than a private foundation under Section 509(e). In accordance with financial accounting standards, the Foundation evaluated all tax positions that could have a significant effect on the financial statements and determined the Foundation had no uncertain tax positions. Generally, the Foundation’s tax returns remain open for three years subsequent to filing for examination by government authorities.

NOTE 2 CASH AND INVESTMENTS

Concentration of Credit Risk: Deposits of the Foundation are maintained in demand deposit accounts at three financial institution. For the purposes of collateralizing deposits, the Foundation utilizes a combination of Insured Cash Sweep (ICS) accounts and Federal Deposit Insurance Corporation (FDIC) coverage.

Restricted cash of $1,612,808 was collateralized by the South Carolina Public Funds deposit program.

NOTE 2 CASH AND INVESTMENTS - CONTINUED

The Foundation maintains its investments at one brokerage firm. Accounts maintained at the brokerage firm are insured up to $500,000 for securities, including a limit of $250,000 on claims for cash, under the securities investor protection corporation (SIPC). At June 30, 2025, total cash and securities were $2,330,246. Management believes that the Foundation's investments do not represent significant concentrations of market risk. The Foundation's investments portfolio is adequately diversified among issuers and management believes that the Foundation has the ability to hold its investment portfolio during periods of temporary market decline.

Investments – Investments in marketable equity securities with readily determinable fair values and all investment in debt securities are carried at fair value. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

Fair value measurement of investments as of June 30, 2025, is as follows:

	Assets Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Deposit Accounts	$ 51,377	$ -	$ -
Fixed Income	261,552	-	-
Stocks, Options, and ETFs	1,586,125	-	-
Mutual Funds	431,192	-	-
Total	$ 2,330,246	$ -	$ -

Unrealized Gains from investments as of June 30, 2025, is summarized as follows:

	Fair Value	Cost Basis	Unrealized Gains
Cash and Deposit Accounts	$ 51,377	$ 51,377	$ -
Fixed Income	261,552	266,797	(5,245)
Equity Securities	1,586,125	930,791	655,334
Other Assets	431,192	394,000	37,192
Total	$ 2,330,246	$ 1,642,965	$ 687,281

Investment income for the year ended June 30, 2025, is as follows:

Investment Gains/(Losses)	$ 182,685
Interest and Dividends	45,308
Investment Fees	(16,334)
Total investment income	$ 211,659

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2025, is summarized as follows:

Pledges Receivable		
Programs Receivable in Less Than One Year	$	28,200
Programs Receivable in Two or More Years		58,200
Total Receivables	$	86,400

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2025:

Computer Equipment	$	887
Less Accumulated Depreciation		(887)
Total Property and Equipment, Net of Depreciation	$	-

Depreciation for the year ended June 30, 2025 was $0.

NOTE 5 ACCOUNTS PAYABLE

Accounts payable, as of June 30, 2025, is summarized as follows:

Payables		
Credit Cards	$	8,816
Total Payables	$	8,816

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

A summary of the status of contributions with donor restrictions at June 30, 2025 follows:

Scholarships Funds	$	1,354,234
TCL Academic Programs		882,178
Endowment Funds		835,385
Total Net Assets with Donor Restriction	$	3,071,797

The Foundation has several endowment funds, the principal of which is with donor restrictions. Realized and unrealized earnings on these funds are available to provide scholarships.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

A summary of the Foundation's endowment funds at June 30, 2025 follows:

Angus Cotton Endowment	$ 42,865
Family Resources Fund	63,976
G. Thomas Upshaw Endowed Scholarship Fund	50,000
Hodges Endowment Fund	12,375
Norman Harberger Endowment Fund	25,000
Coleman NR Signage	50,000
Clist Endowed Scholarship	25,000
Clancy Endowed Scholarship	27,000
Frieda Endowed Scholarship	25,000
Kilpatrick Memorial Fund	33,735
Lou Gast Endowed Educational Scholarship	50,000
Public Contributions	15,194
Verity Memorial Fund	85,221
Helen McCan Thompson	10,000
Wilson Memorial Fund	150,019
Beaufort Trust Fund	170,000
Total Net Assets with Donor Restriction - Endowment	$ 835,385

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following net assets with donor restrictions were released for the year ended June 30, 2025:

Scholarships	$ 85,342
College Academic Programs	429,848
Total Net Assets Released from Restriction	$ 515,190

NOTE 7 RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the Foundation paid and accrued expenses to scholarships, grants, special events, and other assistance of $542,149 to the College. The Foundation is provided an office on the campus of the College at no charge. The College has estimated the fair value of rent received to be $30,000 per year using a level 3 fair market valuation. The Foundation received managerial and accounting services for three positions from the College's employees. Effective September 2016, the College pays the entire salary of the staff assigned to the Foundation. The salaries and benefits that were contributed to the Foundation for the year ended June 30, 2025, was $189,647.

NOTE 7 RELATED PARTY TRANSACTIONS - CONTINUED

The following is a summary of the amounts recorded as contributions of nonfinancial assets and expenses for the year ended June 30, 2025:

		Functional Expenses		
	Unrestricted Revenues	Scholarships	General and Administrative	Fundraising
Rent	$ 30,000	$ 11,250	$ 7,500	$ 11,250
Salaries and Benefits	189,647	71,118	47,411	71,118
Total	$ 219,647	$ 82,368	$ 54,911	$ 82,368

The Foundation entered into an agreement with the College to act as a conduit for the construction and financing of a Culinary Arts Institute and Interpretive Center (Culinary Center) in Bluffton, South Carolina in the amount of $11,243,000. The financing of which has been secured by an $8 million South Carolina Jobs-Economic Development Agreement (JEDA) Economic Development Revenue Bond through BB&T, along with (1) approximately $1,243,000 of local hospitality taxes contributed from Beaufort County and (2) approximately $2,000,000 of the College's capital reserves. The Bond is payable in ten annual installments of approximately level payments, and is payable from and secured by (a) amounts annually provided by Beaufort County, the Town of Bluffton and the Beaufort County School District (as described below) and (b) approximately $2,000,000 of local hospitality taxes previously contributed from Beaufort County and deposited to a bond reserve fund.

Beaufort County, on behalf of itself and as fiscal agent for the Town of Bluffton and the Beaufort County School District, has committed to annually provide $800,000 in available revenues over a ten-year period (for a total of $8 million), subject to annual appropriations, to the College. Pursuant to a lease between the College and the Foundation, the College has agreed to make ten annual lease payments equal to $800,000 (for a total of $8 million), subject to annual appropriation, which lease payments are intended to be used by the Foundation for repayment of the Bond. The College agreed to undertake the construction and the financial administration of the project. At June 30, 2025, the Foundation has a lease receivable of $2,696,192 from the College.

During the year ended June 30, 2025, the TCL Bond Reserve and the TCL Project Account had investment earnings of $73,605. The Culinary Center Project disbursements of $144,951 were paid out during the year to the College. On June 30, 2025, the Foundation was holding $1,612,808 in funds for the Culinary Center Project.

The South Carolina Jobs-Economic Development Authority (JEDA) construction bond in the amount of $8,000,000 for the construction of the TCL Culinary Institute has a term of 10 years with an interest rate of 3.14%. The balance of the loan on June 30, 2025 is $4,309,000 and has a maturity date of the following:

Year Ended June 30,	JEDA Bond
2026	$ 809,000
2027	835,000
2028	861,000
2029	888,000
2030	916,000
Total	$ 4,309,000

NOTE 8 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation has $978,447 financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents. The amount of financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date are $3,071,797. The Foundation sets a goal of having financial assets on hand to meet 60 days of normal operating expenses, which are, on average, around $75,000 a month. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Foundation also invests its cash in excess of its daily needs in investment accounts.

NOTE 9 UNRECOGNIZED DONATED LAND

The Foundation is in possession of 0.87 acres of donated land for which an appraisal was not provided. Beaufort County has appraised the land in 2022 with a value of $13,100. It is the intention of the Foundation to donate this land to the College or to another nonprofit organization. Due to the uncertainty in the market for this type of land, the Foundation has not recognized a value for it in the financial statements.

NOTE 10 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 10, 2025, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. No events have occurred that require disclosure in the financial statements.