

Broward College Foundation, Inc.

Financial Statements
Years Ended December 31, 2024 and 2023

Broward College Foundation, Inc.

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Broward College Foundation, Inc.

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Independent Auditor's Report

Board of Directors
Broward College Foundation, Inc.
Fort Lauderdale, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Broward College Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

BDO USA, P.C.

August 28, 2025

Financial Statements

Broward College Foundation, Inc.

Statements of Financial Position

December 31,	2024	2023
Assets		
Cash and cash equivalents	\$ 2,327,772	\$ 1,221,256
Promises to give, net	916,808	963,240
Grants receivable	455,943	62,169
Prepaid expenses	125,132	53,241
Investment securities, at fair value	135,147,485	129,628,627
Total Assets	\$ 138,973,140	\$ 131,928,533
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,227,884	\$ 1,426,377
Due to related party	692,465	-
Program support awards payable	49,606	46,780
Refundable advance	1,912,794	493,106
Total Liabilities	4,882,749	1,966,263
Net Assets		
Without donor restrictions:		
Undesignated	11,456,642	10,717,873
Designated by the Board for operating reserves	2,080,424	2,080,424
Designated by the Board for programs and scholarships	2,946,681	2,946,681
Designated by the Board for endowment	31,758,915	29,616,527
Total Without Donor Restrictions	48,242,662	45,361,505
With donor restrictions:		
Perpetual in nature	44,241,682	44,009,230
Purpose and time restrictions	41,606,047	40,591,535
Total with Donor Restrictions	85,847,729	84,600,765
Total Net Assets	134,090,391	129,962,270
Total Liabilities and Net Assets	\$ 138,973,140	\$ 131,928,533

See accompanying notes to financial statements.

Broward College Foundation, Inc.

Statements of Activities

Year ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues						
Contributions and bequests	\$ 26,359	\$ 3,617,372	\$ 3,643,731	\$ 34,150	\$ 5,255,948	\$ 5,290,098
Contributions of nonfinancial assets	305,530	-	305,530	12,759,994	-	12,759,994
Support from Broward College of nonfinancial assets	112,668	-	112,668	1,152,358	-	1,152,358
Educational related revenue	-	418,875	418,875	-	488,483	488,483
Interest and dividends	2,729,837	3,807,825	6,537,662	1,336,088	1,822,563	3,158,651
Fundraising event revenue, net of expenses	107,554	-	107,554	24,457	95,156	119,613
Other revenues	-	-	-	1,000	-	1,000
Unrealized and realized gains on investments, net of fees	2,088,204	2,836,462	4,924,666	4,591,330	6,441,900	11,033,230
Net assets released from restrictions	9,433,570	(9,433,570)	-	7,807,928	(7,807,928)	-
Total Support and Revenues	14,803,722	1,246,964	16,050,686	27,707,305	6,296,122	34,003,427
Expenses						
Program services:						
Academic and college support	5,254,175	-	5,254,175	16,890,821	-	16,890,821
Scholarships	4,284,106	-	4,284,106	4,450,820	-	4,450,820
Total Program Expenses	9,538,281	-	9,538,281	21,341,641	-	21,341,641
Support services:						
Management and general	1,260,659	-	1,260,659	1,451,148	-	1,451,148
Fundraising and development	1,123,625	-	1,123,625	1,865,829	-	1,865,829
Total Support Expenses	2,384,284	-	2,384,284	3,316,977	-	3,316,977
Total Expenses	11,922,565	-	11,922,565	24,658,618	-	24,658,618
Change in Net Assets	2,881,157	1,246,964	4,128,121	3,048,687	6,296,122	9,344,809
Net Assets, beginning of year	45,361,505	84,600,765	129,962,270	42,312,818	78,304,643	120,617,461
Net Assets, end of year	\$ 48,242,662	\$ 85,847,729	\$ 134,090,391	\$ 45,361,505	\$ 84,600,765	\$ 129,962,270

See accompanying notes to financial statements.

Broward College Foundation, Inc.

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services			Supporting Services			Total Expenses
	Academic and College Support	Scholarships	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Salaries and other compensation	\$ 2,877,122	\$ -	\$ 2,877,122	\$ 854,565	\$ 840,889	\$ 1,695,454	\$ 4,572,576
Scholarships	-	4,284,106	4,284,106	-	-	-	4,284,106
College facilities support	25,988	-	25,988	-	-	-	25,988
Transfer of nonfinancial assets	305,530	-	305,530	-	-	-	305,530
Professional fees	489,187	-	489,187	261,492	170,481	431,973	921,160
College equipment support	420,803	-	420,803	-	-	-	420,803
Investment management fees	24,203	25,430	49,633	159,445	-	159,445	209,078
Meals and entertainment	15,834	-	15,834	-	16,578	16,578	32,412
Supplies and materials	72,339	-	72,339	241	6,355	6,596	78,935
Donated facilities	-	-	-	112,668	-	112,668	112,668
Subscriptions and memberships	133,715	-	133,715	-	29,677	29,677	163,392
Software purchases and maintenance	47,483	-	47,483	-	-	-	47,483
Printing and postage	18,029	-	18,029	551	4,935	5,486	23,515
Travel	43,826	-	43,826	1,942	10,908	12,850	56,676
Insurance	-	-	-	23,529	-	23,529	23,529
Conferences and workshops	50,061	-	50,061	-	12,474	12,474	62,535
Fundraising event expenses	-	-	-	-	42,736	42,736	42,736
Grant expenses - related party	692,465	-	692,465	-	-	-	692,465
Other	61,793	-	61,793	5,671	31,328	36,999	98,792
Total Functional Expenses	5,278,378	4,309,536	9,587,914	1,420,104	1,166,361	2,586,465	12,174,379
Less: expenses included with support and revenues on the statement of activities:							
Investment management fees	(24,203)	(25,430)	(49,633)	(159,445)	-	(159,445)	(209,078)
Fundraising event expenses	-	-	-	-	(42,736)	(42,736)	(42,736)
Total Expenses Included in the Expenses Section on the Statement of Activities	\$ 5,254,175	\$ 4,284,106	\$ 9,538,281	\$ 1,260,659	\$ 1,123,625	\$ 2,384,284	\$ 11,922,565

See accompanying notes to financial statements.

Broward College Foundation, Inc.

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services			Supporting Services			Total Expenses
	Academic and College Support	Scholarships	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Salaries and other compensation	\$ 2,832,697	\$ -	\$ 2,832,697	\$ 791,016	\$ 1,131,084	\$ 1,922,100	\$ 4,754,797
Scholarships	-	4,446,216	4,446,216	-	-	-	4,446,216
College facilities support	50,000	-	50,000	-	45,237	45,237	95,237
Transfer of nonfinancial assets	12,759,994	-	12,759,994	-	-	-	12,759,994
Professional fees	368,791	-	368,791	407,970	501,112	909,082	1,277,873
College equipment support	190,899	-	190,899	-	-	-	190,899
Investment management fees	19,423	20,519	39,942	95,458	-	95,458	135,400
Meals and entertainment	22,219	-	22,219	182	119,621	119,803	142,022
Supplies and materials	230,027	4,604	234,631	1,067	10,506	11,573	246,204
Donated facilities	-	-	-	109,900	-	109,900	109,900
Subscriptions and memberships	240,010	-	240,010	-	34,962	34,962	274,972
Software purchases and maintenance	-	-	-	93,798	8,624	102,422	102,422
Printing and postage	26,234	-	26,234	54	6,003	6,057	32,291
Travel	26,081	-	26,081	4,050	5,746	9,796	35,877
Insurance	-	-	-	28,176	980	29,156	29,156
Conferences and workshops	69,147	-	69,147	6,983	1,605	8,588	77,735
Fundraising event expenses	-	-	-	-	158,346	158,346	158,346
Other	74,722	-	74,722	7,952	349	8,301	83,023
Total Functional Expenses	16,910,244	4,471,339	21,381,583	1,546,606	2,024,175	3,570,781	24,952,364
Less: expenses included with support and revenues on the statement of activities:							
Investment management fees	(19,423)	(20,519)	(39,942)	(95,458)	-	(95,458)	(135,400)
Fundraising event expenses	-	-	-	-	(158,346)	(158,346)	(158,346)
Total Expenses Included in the Expenses Section on the Statement of Activities	\$ 16,890,821	\$ 4,450,820	\$ 21,341,641	\$ 1,451,148	\$ 1,865,829	\$ 3,316,977	\$ 24,658,618

See accompanying notes to financial statements.

Broward College Foundation, Inc.

Statements of Cash Flows

<i>Year ended December 31,</i>	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 4,128,121	\$ 9,344,809
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Adjustment from change in pledge agreement	-	435,027
Bad debt expense	12,192	-
Unrealized and realized gains on investments, net of fees	(4,924,666)	(11,033,230)
Contributions restricted for investment in permanent endowment	(235,369)	(166,494)
Decrease (increase) in operating assets:		
Promises to give, net	34,240	667,184
Grants receivable and prepaid expenses	(465,665)	37,902
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	801,507	(578,161)
Due to related party	692,465	-
Program support awards payable	2,826	(11,933)
Refundable advance	1,419,688	(1,209,345)
Total Adjustments	(2,662,782)	(11,859,050)
Net Cash Provided by (Used in) Operating Activities	1,465,339	(2,514,241)
Cash Flows from Investing Activities		
Proceeds from sale of investments	12,652,106	12,723,540
Purchases of investments	(13,246,298)	(11,962,871)
Net Cash (Used in) Provided by Investing Activities	(594,192)	760,669
Cash Flows from Financing Activities		
Proceeds from contributions restricted for investment in permanent endowment	235,369	166,494
Net Cash Provided by Financing Activities	235,369	166,494
Net Increase (Decrease) in Cash and Cash Equivalents	1,106,516	(1,587,078)
Cash and Cash Equivalents, beginning of year	1,221,256	2,808,334
Cash and Cash Equivalents, end of year	\$ 2,327,772	\$ 1,221,256

See accompanying notes to financial statements.

Broward College Foundation, Inc.

Notes to Financial Statements

1. Organization and Operations

Broward College Foundation, Inc. (the Foundation) was incorporated on November 5, 1971, under the laws of the State of Florida as a nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and as a publicly supported charitable organization under Sections 509(a)(1) and 170(b)(1)(A)(vi).

The Foundation was organized to receive, hold, invest, and make expenditures for educational purposes, primarily scholarships, program support, endowed teaching chairs and capital facilities to Broward College (the College). In addition, the Foundation is responsible for fundraising. The relationship between the Foundation and the College is regulated by a Memorandum of Understanding (the MOU), which remains in effect until changed or ended by both parties.

The College offers professional certifications, two-year career degrees, two-year university-transfer degrees and four-year baccalaureate degrees in selected high demand fields. Through the Broward UP program, the College is offering free educational opportunities, workforce training, and support services directly in neighborhoods throughout Broward County. The goal of this program is to help the community with the training needed to find good jobs, earn more money, and obtain the skills needed to thrive in the workforce. This expanded service model focuses on Broward County zip codes with disproportionately high unemployment rates and low education attainment.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets

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

Net Assets Without Donor Restrictions - Net assets which 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 by the passage of time. Other donor restrictions are perpetual in nature, where 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.

Broward College Foundation, Inc.

Notes to Financial Statements

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearest of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, including those regarding fair value, and assumptions that affect reported asset amounts and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with an original maturity of three months or less. Cash and cash equivalents that the Foundation intends to use for long-term purposes are classified as investments in the accompanying statements of financial position.

Investments and Investment Return

The Foundation records investment purchases at cost, or if donated, at estimated fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the statements of financial position.

In accordance with the policy of stating investments at estimated fair value, net unrealized appreciation or depreciation for the year is reflected in the accompanying statements of activities, net of management fees.

The Foundation evaluates its “spending rate” annually in light of total estimated long-term return from investments, fees, expenses, and the effects of inflation. The total return is considered to include interest, dividends, and realized and unrealized gains and losses. In general, the “spending rate” from endowed funds is set by the Board of Directors to be between 4% to 5% of the three-year quarterly rolling average of the fair market value of the applicable funds with a budgeting lead of one year.

The Foundation pools its funds in order to obtain greater investment leverage and more efficient administration. The objective of investment management of all funds is to maximize the growth of the fund assets consistent with minimizing exposure to risks of permanent capital losses and attainment of the Foundation’s desired level of spending. In general, it is the normal investment policy of the Foundation to invest initial principal contributions and subsequent additions to all pooled funds in equity, fixed income, real assets, and diversifying strategies based on an allocation determined by the Finance and Investment Committee of the Board of Directors, in accordance with the Foundation’s formal investment policies. The allocation of income and gain or loss from pooled investments is calculated based on the ratio of the previous month’s share of each fund’s fair value to the total pooled investments.

Broward College Foundation, Inc.

Notes to Financial Statements

Promises to Give, Net

Unconditional promises to give primarily consist of annual gifts from private donors. Promises to give, less a provision for estimated uncollectible amounts and unamortized discounts, are recorded as a receivable and revenue when promises to give are made. Promises to give determined to be uncollectible during the year in which such promises to give are received are shown as a reduction of contributions. Promises to give determined to be uncollectible subsequent to the year in which such promises to give are received are charged to bad debt expense. The allowance for uncollectible promises to give is based, among other things, on the Foundation's past collection experience and the impact of changes in current economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

Grants Receivable

Grants receivable, represent amounts that have not yet been received by the granting agency. Management analyzes, on an ongoing basis, outstanding accounts individually to determine if an allowance for doubtful accounts is required. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management determined that an allowance for doubtful accounts related to grants receivable was not deemed necessary as of December 31, 2024 and 2023.

Leases

In the ordinary course of business, the Foundation enters into agreements for its various office equipment. The Foundation reviews all agreements to determine if a leasing arrangement exists. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is an operating or a finance lease.

A lease exists when a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining whether a lease exists, the Foundation considers whether a contract provides both the right to obtain substantially all of the economic benefits from the use of an asset and the right to direct the use of the asset. Right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the minimum future lease payments over the expected term of the lease.

Leases with an initial term of 12 months or less are classified as short-term leases and the lease payments are recognized on a straight-line basis over the lease term. Lease determinations are reassessed in the event of a change in lease terms.

The Foundation's operating lease with the College for the contributed use of building space is not accounted for under the Accounting Standards Update (ASU) No. 2016-02, *Leases* or its amendments (collectively referred to as Topic 842), because it does not meet the definition of a lease as there is no consideration exchanged for the use of the related facilities (Note 8).

Broward College Foundation, Inc.

Notes to Financial Statements

Revenue Recognition - Contributions and Bequests

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Foundation fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances. As of December 31, 2024 and 2023, conditional contributions of approximately \$1,500,000 and \$5,098,000, respectively, have not been recognized in the accompanying statements of financial position. Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “Net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions. The Foundation receives donations from several sources, including private individuals, corporations and private foundations.

If received, or when necessary, bequests are recorded when all requirements for the transfer of the assets to the Foundation have been met, appropriate court orders have been issued, and the amount is determinable.

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. If received before consideration is exchanged assets are accounted for as deferred revenue. Currently, the Foundation does not have any exchange transactions.

Revenue Recognition - Contributions of Nonfinancial Assets

The Foundation recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value of nonfinancial assets at the time of the donation. For the year ended December 31, 2023, the Foundation received two jet engines and stands as a donation for the College’s Aviation Maintenance Department. The Foundation recognized an in-kind contribution of nonfinancial assets, which were then transferred to the College. At that time, an in-kind transfer of nonfinancial assets was recorded. The Foundation reflects this support and expense in the accompanying statement of activities during the year ended December 31, 2023, in the amount of approximately \$12,660,000 (Note 8).

Broward College Foundation, Inc.

Notes to Financial Statements

Donated services are recognized, at estimated fair value, as contributions if the services - (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased.

Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses, including salaries and other compensation, professional fees, supplies and materials, and others, are allocated using the direct allocation method, whereby each expense is charged directly to the program or supporting service benefited, as determined by management.

Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded as of December 31, 2024 and 2023.

The Foundation has not taken an uncertain tax position that would require provision of a liability under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions for the years ended December 31, 2024 and 2023. The Foundation has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990, as required, and all other applicable returns in jurisdictions where it is required.

The U.S. federal jurisdiction is the major tax jurisdictions where the Foundation files income tax returns. The Foundation is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2021.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified to the current-year presentation. These reclassifications have no impact on previously reported change in net assets.

Broward College Foundation, Inc.

Notes to Financial Statements

3. Liquidity Management and Availability of Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

<i>December 31,</i>	2024	2023
Cash and cash equivalents	\$ 2,327,772	\$ 1,221,256
Accounts receivable	455,943	62,169
Promises to give, net	916,808	963,240
Investment securities	135,147,485	129,628,627
Total Financial Assets	138,848,008	131,875,292
Less: amounts unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions	(52,614,440)	(54,217,301)
Subject to appropriation and satisfaction of donor restrictions	(33,233,289)	(30,383,464)
Board designations:		
Amounts set aside for operating reserves	(2,080,424)	(2,080,424)
Amounts set aside for programs and scholarships	(2,946,681)	(2,946,681)
Amounts set aside for endowment	(31,758,915)	(29,616,527)
Total Financial Assets Available Within One Year for General Expenditures	\$ 16,214,259	\$ 12,630,895

The Foundation endowment funds (Note 10) consist of donor-restricted endowments and funds designated to serve as endowments. Endowments are subject to an annual spending rate as approved by the Board of Directors. For 2024 and 2023, the Board of Directors approved a spending rate of approximately 4.00%, which includes an administrative fee component of 2.25%. For the board-designated endowment, the administrative fee was 1%.

Occasionally, the Board of Directors designates a portion of the operating surplus to its operating reserve, which was approximately \$2,080,000 as of December 31, 2024 and 2023. In addition, the Board of Directors has designated approximately \$2,947,000, as of December 31, 2024 and 2023, of operating surplus to provide funds for programs and scholarships during years where, due to negative market fluctuations, the accumulated earnings on endowments are not sufficient to provide the desired spending allocation.

4. Credit Risk and Concentrations

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash deposits and investment securities. The Foundation's investment securities consist mainly of investment grade securities and cash deposits with major financial institutions and brokerage firms. By policy, the Foundation limits the amount of exposure to any one financial institution by verifying that the security holdings managed by the financial institution are maintained within approved levels. Credit risk with respect to promises to give is limited due to the number and credit worthiness of the corporations and individuals who comprise the contributor base.

Broward College Foundation, Inc.

Notes to Financial Statements

Investments are made by diversified investment managers whose performance is monitored by Foundation's management, third-party consultants, and the Finance and Investment Committee of the Foundation.

Although cash balances may exceed federally insured limits at times during the year, the Foundation has not experienced and does not expect to incur any losses in such accounts. Cash and cash equivalents were as follows:

December 31,

	2024		2023	
	Financial Institution Balance	Carrying Value	Financial Institution Balance	Carrying Value
Cash and Cash Equivalents				
Bank A	\$ 513,600	\$ 628,068	\$ 1,012,352	\$ 1,071,188
Bank B	1,699,704	1,699,704	150,068	150,068

For the years ended December 31, 2024 and 2023, approximately 42% and 51% of the contributions and bequests were from one donor, respectively. As of December 31, 2024 and 2023, approximately 40% and 26% of outstanding promises to give were due from one donor and two donors, respectively.

5. Investment Securities, at Fair Value

The following is a detail of the Foundation's investments:

<i>December 31,</i>	2024	2023
International equities	\$ 33,699,276	\$ 33,775,554
Domestic equities	28,923,120	28,600,421
Partnership interests	35,503,991	33,636,841
Fixed income	21,004,458	20,356,577
Real assets	14,995,463	13,209,962
Money market funds and cash	1,021,177	49,272
Total Investments	\$ 135,147,485	\$ 129,628,627

6. Fair Value Measurements

The FASB established 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 Federation has the ability to access.

Broward College Foundation, Inc.

Notes to Financial Statements

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 the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

The *equity securities* portfolios consist of equity securities managed by independent investment managers with discretionary investment authority. Equity securities consist primarily of common stocks. Equity securities portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded. The *international equities* include funds that invest primarily in shares and related securities which are listed in shares in countries outside of the United States or are issued by companies who derive a substantial portion of their income from Non - United States countries. The *domestic equities* include funds that invest primarily in shares and related securities which are listed in shares in the United States or are issued by companies who derive a substantial portion of their income from the United States.

The *partnership interests* portfolios consist of funds in different categories, such as multi-strategy fund-of-funds that focuses on relative value to achieve consistent absolute returns with preservation of capital, a fund that purchases privately held assets in secondary transactions, funds that invest in United States based, early stage venture capital efforts, funds that target limited partner interests in buyouts from North American lower middle-market entities and fund that seeks to invest in a diversified portfolio of privately originated first lien, second lien, and unitranche debt. The values of the investments in this class have been calculated using the net asset value method.

The *fixed income securities* are carried at fair value as of the financial statement date. Fair values are based on quoted market prices on the last day of the fiscal year. Investments range from sectors such as investment grade, commercial fixed income, high yield fixed income to commercial mortgage-backed securities.

The *real assets* category includes a fund that seeks to provide investors with exposure to the United States energy infrastructure primarily through publicly traded master limited partnerships (MLPs). MLPs are publicly traded entities that own and operate midstream energy assets, such as pipelines, storage facilities, and refineries and allow investors to gain exposure to energy infrastructure through liquid securities. This category also includes publicly traded real estate securities and real

Broward College Foundation, Inc.

Notes to Financial Statements

estate investment funds (REITs), including core and emerging sectors. Investment vehicle is a mutual fund with daily liquidity.

The *money market and cash* funds are carried at cost, which approximates fair value.

Foundation investments at fair value on the statements of financial position are classified as follows:

December 31, 2024

		Level 1	Level 2	Level 3	Investments Measured at NAV*
International equities	\$ 33,699,276	\$ 33,699,276	\$ -	\$ -	\$ -
Domestic equities	28,923,120	28,923,120	-	-	-
Partnership interests	35,503,991	-	-	-	35,503,991
Fixed income	21,004,458	21,004,458	-	-	-
Real assets	14,995,463	6,708,503	-	-	8,286,960
Money market funds and cash	1,021,177	1,021,177	-	-	-
Total, at fair value	\$ 135,147,485	\$ 91,356,534	\$ -	\$ -	\$ 43,790,951

December 31, 2023

		Level 1	Level 2	Level 3	Investments Measured at NAV*
International equities	\$ 33,775,554	\$ 33,775,554	\$ -	\$ -	\$ -
Domestic equities	28,600,421	28,600,421	-	-	-
Partnership interests	33,636,841	-	-	-	33,636,841
Fixed income	20,356,577	20,356,577	-	-	-
Real assets	13,209,962	7,309,840	-	-	5,900,122
Money market funds and cash	49,272	49,272	-	-	-
Total, at fair value	\$ 129,628,627	\$ 90,091,664	\$ -	\$ -	\$ 39,536,963

* In accordance with ASC 820, *Fair Value Measurements*, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

Net Asset Value per Share

The Foundation invests in alternative investments in order to diversify risk in their portfolio and improve the overall performance consistency of the portfolio. Although risk may be present in these types of investments, the investment managers are required, according to the Foundation's investment policy, to make a reasonable effort to control risk. Risk is evaluated on a regular basis to ensure objectives are being met.

Broward College Foundation, Inc.

Notes to Financial Statements

The following tables provide the required disclosures of certain alternative investments, separate legal and primary reporting entities, and that may not have a readily determinable fair value, using net asset value per share (NAV) for fair value investments:

December 31, 2024

	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments in:				
Partnership interests ^(a)	\$ 35,503,991	\$ 5,000,230	Semi-annually and no liquidity	95 days
Real assets ^(b)	8,286,960	-	Monthly	30 days
	\$ 43,790,951	\$ 5,000,230		

December 31, 2023

	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments in:				
Partnership interests ^(a)	\$ 33,636,841	\$ -	Semi-annually and no liquidity	95 days
Real assets ^(b)	5,900,122	-	Monthly	30 days
	\$ 39,536,963	\$ -		

(a) This category includes hedged partnerships and private capital partnerships. Liquidity is at the discretion of the investment managers.

Hedged partnerships include investments structured as limited partnerships with a broad range of strategies, including long/short equity, event driven, relative value, global macro, distressed securities and merger arbitrage.

Private capital partnership funds pursue a broad range of securities across the spectrum of private equity, venture capital, leveraged buyouts, growth equity, special situations, private real estate, private credit and private natural resources. These funds are structured as limited partnerships with expected lives of ten to 15 years.

(b) This investment strategy is to achieve growth through current income and capital appreciation by investing in real assets markets which include oil, gas, commodities, metals and infrastructure. Underlying assets are exchange traded funds.

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Broward College Foundation, Inc.

Notes to Financial Statements

7. Promises to Give, Net

Promises to give include all unconditional promises to give from individuals, private foundations, and corporations, which are summarized as follows:

<i>December 31,</i>	2024	2023
Amounts due in:		
Less than one year	\$ 395,180	\$ 603,462
One to five years	531,000	382,868
More than five years	17,500	18,300
Total	943,680	1,004,630
Less: unamortized discount	(26,872)	(41,390)
Promises to Give, Net	\$ 916,808	\$ 963,240

Promises to give are recorded at their net present value. The discount rates ranged from 0.07% to 5.33%.

In 2023, the Foundation and one of its donors mutually agreed to reduce a pledge by approximately \$435,000. The pledge was originated in 2023 and the revenue was adjusted in the same year.

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Broward College Foundation, Inc.

Notes to Financial Statements

8. Contributions of Nonfinancial Assets

Contributed nonfinancial assets (in-kind donations) were as follows:

Year ended December 31,

Nonfinancial Assets	Revenue Recognized		Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
	2024	2023			
Jet engines and stands	-	\$ 12,661,978	Academic and College Support	Without Donor Restrictions	The Foundation estimated the fair value of the donated engines and stands based on sales comparison approach. The available market data and appropriate comparable sales are used and adjusted for condition and various aspects of similarity to the engines and stands.
Donated facilities	112,668	109,900	Management and general services	Without Donor Restrictions	The Foundation estimated the fair value of the contributed facilities based on rent per square foot, using the property appraiser value, and the annual inflation rate. This value is compared to comparable rental prices in the area.
Other donated goods	305,530	98,016	Academic and College Support	Without Donor Restrictions	The Foundation estimated the fair value of the donated goods based on comparable market values.
	\$ 418,198	\$ 12,869,894			

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Broward College Foundation, Inc.

Notes to Financial Statements

9. Net Assets with Donor Restrictions

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

<i>December 31,</i>	2024	2023
Subject to expenditure for specified purpose:		
Scholarships	\$ 5,371,165	\$ 5,750,662
Academic and college support	2,349,885	3,794,848
Unconditional promises to give, net, that are restricted by donors and other receivables for:		
Scholarships	233,126	188,242
Academic and college support	369,316	441,509
	8,323,492	10,175,261
Subject to the passage of time:		
Unconditional promises to give, net, that are not restricted by donors but which are unavailable for expenditure until due	-	32,810
	-	32,810
Endowments:		
Subject to endowment spending policy and appropriation:		
Scholarships	64,735,793	63,147,575
Academic and college support	12,497,888	10,936,247
Earnings on endowments that are restricted by donors for:		
Scholarships	123,908	213,891
Academic and college support	166,648	94,981
	77,524,237	74,392,694
	\$ 85,847,729	\$ 84,600,765

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Broward College Foundation, Inc.

Notes to Financial Statements

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows:

<i>Year ended December 31,</i>	2024	2023
Satisfaction of purpose restrictions:		
Scholarships	\$ 1,097,670	\$ 1,238,826
Academic and college support	4,195,502	4,896,456
	5,293,172	6,135,282
Restricted-purpose spending-rate distributions and appropriations:		
Scholarships	3,371,074	3,027,483
Academic and college support	769,324	762,995
	4,140,398	3,790,478
Changes in donor restrictions:		
Scholarships	-	(1,658,662)
Academic and college support	-	(24,170)
	-	(1,682,832)
Adjustments:		
Adjustment from change in pledge agreement	-	(435,000)
Total Net Assets Released from Restrictions	\$ 9,433,570	\$ 7,807,928

10. Endowments

The Foundation has approximately 327 endowed funds established for the support of the students, programs and faculty at the College. These endowments may include both donor restricted endowment funds and funds designated by the Foundation or College to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The Foundation has interpreted the FUPMIFA as requiring the Board of Directors to use reasonable care, skill, and caution as exercised by a prudent investor, in considering the investment, management, and expenditures of endowment funds. The Foundation's spending policy is set with the goal of the preservation of the long-term purchasing power of the endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

Broward College Foundation, Inc.

Notes to Financial Statements

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund earnings:

- (1) The purposes of the Foundation and the donor-restricted endowment fund.
- (2) The duration and preservation of the fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Foundation.
- (7) The investment and spending policies of the Foundation.

Endowment net assets consist of the following:

December 31, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Donor restricted endowment funds	\$ -	\$ 33,282,555	\$ 44,241,682	\$ 77,524,237
Board designated endowment funds	31,758,915	-	-	31,758,915
Total	\$ 31,758,915	\$ 33,282,555	\$ 44,241,682	\$ 109,283,152

December 31, 2023

	Without Donor Restrictions	With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Donor restricted endowment funds	\$ -	\$ 30,383,464	\$ 44,009,230	\$ 74,392,694
Board designated endowment funds	29,616,527	-	-	29,616,527
Total	\$ 29,616,527	\$ 30,383,464	\$ 44,009,230	\$ 104,009,221

Broward College Foundation, Inc.

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Changes in endowment net assets is as follows:

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Endowment Net Assets, beginning of year	\$ 29,616,527	\$ 30,383,464	\$ 44,009,230	\$ 104,009,221
Investment return:				
Interest and dividend income	1,535,708	3,807,825	-	5,343,533
Net appreciation (realized and unrealized), net of fees	1,134,265	2,836,462	-	3,970,727
Total Investment Return, Net	2,669,973	6,644,287	-	9,314,260
Contributions and other additions	-	360,307	235,369	595,676
Appropriated per spending policy	(527,585)	(4,140,398)	-	(4,667,983)
Donor requested changes to restrictions	-	34,895	(2,917)	31,978
Total Change in Endowment Funds	2,142,388	2,899,091	232,452	5,273,931
Endowment Net Assets, end of year	\$ 31,758,915	\$ 33,282,555	\$ 44,241,682	\$ 109,283,152

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Endowment Net Assets, beginning of year	\$ 27,220,778	\$ 25,538,453	\$ 43,852,783	\$ 96,612,014
Investment return:				
Interest and dividend income	726,679	1,822,563	-	2,549,242
Net appreciation (realized and unrealized), net of fees	2,569,590	6,441,900	-	9,011,490
Total Investment Return, Net	3,296,269	8,264,463	-	11,560,732
Contributions and other additions	-	322,136	166,494	488,630
Appropriated per spending policy	(900,520)	(3,790,478)	-	(4,690,998)
Donor requested changes to restrictions	-	48,890	(10,047)	38,843
Total Change in Endowment Funds	2,395,749	4,845,011	156,447	7,397,207
Endowment Net Assets, end of year	\$ 29,616,527	\$ 30,383,464	\$ 44,009,230	\$ 104,009,221

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no underwater endowments at December 31, 2024 and 2023.

Return Objectives and Risk Parameters

The goal of the investment program for the endowment assets is to provide a total return equivalent to or greater than the endowment's financial requirements over its investment horizon. The endowment's financial requirements are the sum of the spending rate, the long-term inflation rate,

Broward College Foundation, Inc.

Notes to Financial Statements

an administrative fee and any growth factor, which the Foundation's Finance and Investment Committee may, from time to time, determine appropriate. The Foundation expects its endowment funds over time, to provide a rate of return in excess of the original permanently restricted principal. As of December 31, 2024 and 2023, the rate of return was approximately 6.4% and 8.25%, respectively. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Because the endowment funds of the Foundation are expected to endure into perpetuity, and because inflation is a key component in the performance objective, the long-term risk of not investing in securities offering real growth potential outweighs the short-term volatility risk. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve the long-term return objective within prudent risk constraints. Fixed income securities are used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Alternative assets are used to mitigate the risk of traditional asset classes. Other asset classes, such as international equities, are included to provide diversification.

Spending Policy and how the Investment Objectives Relate to Policy

The Foundation's spending policy focuses on protecting the corpus; the policy is a three-pronged approach to determining the endowment's spending distribution.

- (1) *Hibernation* - The endowment must generate earnings for one year before spending is distributed.
- (2) *Spending Limitations* - 4% of the three-year quarterly rolling average of the portfolio market value may be granted annually, provided there are sufficient funds in the respective earnings accounts.
- (3) *Prohibition* - The fund receives no spending distribution on endowments with a total balance less than the original gift's fair market value.

The Foundation charges various individual funds an administrative fee based on the three-year quarterly rolling average of the fair market value of the applicable funds. The administrative fee percentage at December 31, 2024 and 2023 was up to 2.25%, however the fee for the board designated endowment was 1%. The administrative fees are calculated quarterly. The total fees for the years ended December 31, 2024 and 2023 were approximately \$1,812,000 and \$1,782,000, respectively.

Broward College Foundation, Inc.

Notes to Financial Statements

11. Related Party Transactions

The Foundation was organized to receive, hold, invest, and make expenditures to Broward College (Note 1). In addition, the Foundation is responsible for fundraising. The following is a schedule of balances and in-kind transactions with the College as of and for the years ended December 31, 2024 and 2023, which are included in the programs and supporting services expenses and support from Broward College:

<i>December 31,</i>	2024	2023
College Support of Foundation:		
Salaries and other compensation	\$ -	\$ 1,038,932
Donated facilities	112,668	109,900
Other general and administrative expenses	-	3,526
	\$ 112,668	\$ 1,152,358

As of December 31, 2024 and 2023, there were payables due to the College of approximately \$2,020,000 and \$1,024,000, respectively.

For the years ended December 31, 2024 and 2023, the Foundation provided approximately \$5,423,000 and \$4,732,000, respectively, in support to the College including approximately \$4,284,000 and \$4,446,000, respectively, for scholarships.

12. Subsequent Events

The Foundation has evaluated subsequent events through August 28, 2025, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures herein.



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Broward College Foundation, Inc.
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Broward College Foundation, Inc. (the Foundation), which comprise the Foundation's statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

August 28, 2025