

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS
THE HILLSBOROUGH COMMUNITY COLLEGE FOUNDATION, INC.

June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Hillsborough Community College Foundation, Inc.

Opinion

We have audited the accompanying financial statements of The Hillsborough Community College Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 the Foundation as of June 30, 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 audits 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 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 these 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The credit risk disclosure is presented for purposes of additional analysis and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, 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 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 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.

Tampa, Florida
August 12, 2024

Handwritten signature in cursive script that reads "Bueco, Gardner & Company, P.A."

The Hillsborough Community College Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (notes A7 and H)	\$ 1,620,274	\$ 1,470,291
Accounts receivable	597,765	447,529
Pledges receivable (notes A4 and B)	1,379,390	959,332
Prepaid expenses and other	<u>202,112</u>	<u>42,186</u>
Total current assets	<u>3,799,541</u>	<u>2,919,338</u>
CASH RESTRICTED FOR LONG-TERM PURPOSES (note A8)	1,707,137	2,804,018
PLEDGES RECEIVABLE, NET (notes A4, A11, and B)	1,305,315	611,215
PROPERTY AND EQUIPMENT, NET (note A14 and E)	8,114,260	7,918,373
INVESTMENTS (notes A12, C, and D)	<u>17,233,042</u>	<u>14,955,032</u>
	<u>28,359,754</u>	<u>26,288,638</u>
 TOTAL ASSETS	 <u>\$ 32,159,295</u>	 <u>\$ 29,207,976</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 694,825	\$ 772,952
Deferred revenue	88,102	52,844
Interest payable	14,564	16,115
Current portion of revenue note payable (note J)	<u>919,000</u>	<u>899,000</u>
Total current liabilities	<u>1,716,491</u>	<u>1,740,911</u>
LONG-TERM LIABILITIES		
Revenue note payable, net of current portion and issuance costs (note J)	<u>7,484,826</u>	<u>8,399,029</u>
Total long-term liabilities	<u>7,484,826</u>	<u>8,399,029</u>
Total liabilities	<u>9,201,317</u>	<u>10,139,940</u>
NET ASSETS (note I)		
Without donor restrictions - undesignated	5,333,575	4,580,913
Without donor restrictions - board designated	394,832	365,562
With donor restrictions	<u>17,229,571</u>	<u>14,121,561</u>
Total net assets	<u>22,957,978</u>	<u>19,068,036</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 32,159,295</u>	 <u>\$ 29,207,976</u>

The accompanying notes are an integral part of these statements.

The Hillsborough Community College Foundation, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Public support and revenue				
Contributions	\$ 182,231	\$ 3,394,962	\$ 3,577,193	\$ 2,349,299
Contributions of non-financial assets (note L)	1,171,895	-	1,171,895	713,080
Grants	2,608,487	-	2,608,487	2,531,576
Student housing operating revenue	3,744,864	-	3,744,864	3,596,242
Special events, net (note G)	-	74,173	74,173	123,571
Net investment income (note C)	167,899	336,461	504,360	386,882
Realized gain on investments (note C)	96,765	309,922	406,687	503,722
Unrealized gain on investments (note C)	282,839	774,445	1,057,284	409,059
Total public support and revenue	<u>8,254,980</u>	<u>4,889,963</u>	<u>13,144,943</u>	<u>10,613,431</u>
Net assets released from restrictions	<u>1,781,953</u>	<u>(1,781,953)</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>10,036,933</u>	<u>3,108,010</u>	<u>13,144,943</u>	<u>10,613,431</u>
Expenses				
Program services				
Hawks Landing	3,313,062	-	3,313,062	3,232,900
College support	5,131,360	-	5,131,360	4,413,240
Total program services	<u>8,444,422</u>	<u>-</u>	<u>8,444,422</u>	<u>7,646,140</u>
Supporting services				
Management and general	422,172	-	422,172	343,727
Development	388,407	-	388,407	414,367
Total supporting services	<u>810,579</u>	<u>-</u>	<u>810,579</u>	<u>758,094</u>
Total expenses	<u>9,255,001</u>	<u>-</u>	<u>9,255,001</u>	<u>8,404,234</u>
Change in net assets	781,932	3,108,010	3,889,942	2,209,197
Net assets at beginning of year	<u>4,946,475</u>	<u>14,121,561</u>	<u>19,068,036</u>	<u>16,858,839</u>
Net assets at end of year	<u>\$ 5,728,407</u>	<u>\$ 17,229,571</u>	<u>\$ 22,957,978</u>	<u>\$ 19,068,036</u>

The accompanying notes are an integral part of this statement.

The Hillsborough Community College Foundation, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 109,877	\$ 2,239,422	\$ 2,349,299
Contributions of non-financial assets	713,080	-	713,080
Grants	2,531,576	-	2,531,576
Student housing operating revenue	3,596,242	-	3,596,242
Special events, net (note G)	-	123,571	123,571
Net investment income (note C)	103,638	283,244	386,882
Realized gain (loss) on investments (note C)	528,725	(25,003)	503,722
Unrealized gain on investments (note C)	139,216	269,843	409,059
Total public support and revenue	<u>7,722,354</u>	<u>2,891,077</u>	<u>10,613,431</u>
Net assets released from restrictions	<u>2,275,612</u>	<u>(2,275,612)</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>9,997,966</u>	<u>615,465</u>	<u>10,613,431</u>
Expenses			
Program services			
Hawks Landing	3,232,900	-	3,232,900
College support	4,413,240	-	4,413,240
Total program services	<u>7,646,140</u>	<u>-</u>	<u>7,646,140</u>
Support services			
Management and general	343,727	-	343,727
Development	414,367	-	414,367
Total supporting services	<u>758,094</u>	<u>-</u>	<u>758,094</u>
Total expenses	<u>8,404,234</u>	<u>-</u>	<u>8,404,234</u>
Change in net assets	1,593,732	615,465	2,209,197
Net assets at beginning of year	<u>3,352,743</u>	<u>13,506,096</u>	<u>16,858,839</u>
Net assets at end of year	<u>\$ 4,946,475</u>	<u>\$ 14,121,561</u>	<u>\$ 19,068,036</u>

The accompanying notes are an integral part of this statement.

The Hillsborough Community College Foundation, Inc.

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	<u>\$ 3,889,942</u>	<u>\$ 2,209,197</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,111,336	1,089,007
Amortization of debt issuance costs	4,798	4,798
Net realized and unrealized gain from investments	(1,463,971)	(912,781)
(Increase) decrease in accounts receivable and tenant rent receivable	(150,236)	31,421
Increase in unconditional promises to give	(1,114,158)	(258,022)
(Increase) decrease in prepaids and other current assets	(159,926)	6,001
(Decrease) increase in accounts payable and accrued expenses	(79,678)	106,352
Increase (decrease) in deferred revenue	<u>35,258</u>	<u>(27,450)</u>
Total adjustments	<u>(1,816,577)</u>	<u>39,326</u>
Net cash provided by operating activities	<u>2,073,365</u>	<u>2,248,523</u>
Cash flows from investing activities		
Increase in cash restricted for long-term purposes	(11,888)	(7,160)
Purchase of leasehold improvements and other equipment	(1,307,223)	(627,769)
Purchase of investments	<u>(814,039)</u>	<u>(1,608,610)</u>
Net cash used by investing activities	<u>(2,133,150)</u>	<u>(2,243,539)</u>
Cash flows from financing activities		
Decrease in cash restricted for long-term purposes	1,108,769	103,816
Principal payments on revenue note	<u>(899,001)</u>	<u>(882,001)</u>
Net cash provided (used) by financing activities	<u>209,768</u>	<u>(778,185)</u>
Net change in cash and cash equivalents	149,983	(773,201)
Cash and cash equivalents at beginning of year	<u>1,470,291</u>	<u>2,243,492</u>
Cash and cash equivalents at end of year	<u>\$ 1,620,274</u>	<u>\$ 1,470,291</u>
Supplemental disclosures of cash flow information		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 188,774</u>	<u>\$ 207,124</u>

The accompanying notes are an integral part of these statements.

The Hillsborough Community College Foundation, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

	Program Services			Supporting Services		Total 2024 Expenses	Total 2023 Expenses
	Hawks Landing	College Support	Total Program Services	Management and General	Development		
Scholarships	\$ -	\$ 1,175,228	\$ 1,175,228	\$ -	\$ -	\$ 1,175,228	\$ 1,078,144
College support	-	3,895,875	3,895,875	-	-	3,895,875	3,268,138
Student housing operating expenses	1,855,084	-	1,855,084	-	-	1,855,084	1,779,259
Management fee	154,621	-	154,621	-	-	154,621	154,233
Depreciation	1,111,336	-	1,111,336	-	-	1,111,336	1,089,007
Bond issuance cost write-off	4,798	-	4,798	-	-	4,798	4,798
Interest expense	187,223	-	187,223	-	-	187,223	205,603
Salaries and benefits	-	53,507	53,507	235,372	301,764	590,643	642,443
Travel, conferences, and training	-	-	-	6,061	3,801	9,862	378
Postage and freight	-	-	-	1,006	449	1,455	2,610
Printing and photography	-	-	-	5,577	2,444	8,021	8,092
Insurance	-	-	-	5,789	-	5,789	21,360
Other services	-	-	-	18,717	1,154	19,871	25,821
Software costs	-	6,750	6,750	15,060	27,372	49,182	49,182
Professional fees	-	-	-	63,341	-	63,341	24,000
Supplies	-	-	-	10,674	8,461	19,135	4,337
Hospitality	-	-	-	16,896	23,556	40,452	17,943
Bad debt	-	-	-	15,780	-	15,780	-
Other expense	-	-	-	27,899	19,406	47,305	28,886
Total expenses	\$ 3,313,062	\$ 5,131,360	\$ 8,444,422	\$ 422,172	\$ 388,407	\$ 9,255,001	\$ 8,404,234

The accompanying notes are an integral part of this statement.

The Hillsborough Community College Foundation, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services			Supporting Services		Total Expenses
	Hawks Landing	College Support	Total Program Services	Support Services	Development	
Scholarships	\$ -	\$ 1,078,144	\$ 1,078,144	\$ -	\$ -	\$1,078,144
College support	-	3,268,138	3,268,138	-	-	3,268,138
Student housing operating expenses	1,779,259	-	1,779,259	-	-	1,779,259
Management fee	154,233	-	154,233	-	-	154,233
Depreciation	1,089,007	-	1,089,007	-	-	1,089,007
Bond issuance cost write-off	4,798	-	4,798	-	-	4,798
Interest expense	205,603	-	205,603	-	-	205,603
Salaries and benefits	-	60,208	60,208	218,429	363,806	642,443
Travel, conferences, and training	-	-	-	378	-	378
Postage and freight	-	-	-	21	2,589	2,610
Printing and photography	-	-	-	3,774	4,318	8,092
Insurance	-	-	-	21,360	-	21,360
Other services	-	-	-	20,138	5,683	25,821
Software costs	-	6,750	6,750	15,060	27,372	49,182
Professional fees	-	-	-	24,000	-	24,000
Supplies	-	-	-	1,433	2,904	4,337
Hospitality	-	-	-	12,569	5,374	17,943
Other expense	-	-	-	26,565	2,321	28,886
Total expenses	<u>\$ 3,232,900</u>	<u>\$ 4,413,240</u>	<u>\$ 7,646,140</u>	<u>\$ 343,727</u>	<u>\$ 414,367</u>	<u>\$8,404,234</u>

The accompanying notes are an integral part of this statement.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Organization

The Hillsborough Community College Foundation, Inc. (the "Foundation"), was organized in 1974 as a not-for-profit direct support organization of Hillsborough Community College (the "College"). The Foundation solicits, receives, and manages private and corporate gifts and other income producing ventures for the use and benefit of the College and its students. The Foundation provides academic scholarships for deserving students and other financial assistance to the College in creating and improving its educational programs and facilities as approved by the Hillsborough Community College Board of Trustees. The Foundation functions as a component unit (for accounting purposes only) of the College. The Foundation also provides student housing and has contracted with Peak Campus Management, LLC to manage Hawks Landing, their 420-bed student housing project.

2. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, the funds have been combined.

The Foundation follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). This requires the Foundation to distinguish between contributions that increase net assets with donor restrictions net assets without donor restrictions. It is also requiring recognition of contributed services meeting certain criteria at fair value.

The Foundation utilizes net assets with donor restrictions and net assets without donor restrictions groupings to account for its resources. ASC 958 requires a statement of financial position, a statement of activities and a statement of cash flows for not-for-profit organizations.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The assets, liabilities and net assets of the Foundation are reported in self-balancing fund groups as follows:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions – Net assets subject to donor stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time and donor-imposed stipulations that must be maintained permanently by the Foundation

3. Use of Estimates

The preparation of 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 financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period the contribution is made. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with any donor-imposed restrictions on the contributions.

5. Contributions of Non-Financial Assets

In-kind donation items used by the Foundation are recorded as contributions and expenses at their fair value at the date of donation. Contributed services are recorded as contributions and expenses at their fair value, to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations. Fair value of all in-kind contributions are based on current market rates of identical items or services. The Foundation did not monetize any contributed nonfinancial assets and did not have donor restrictions.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Functional Allocation of Expenses

Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas and are categorized at the time the expense is recorded. In-kind expenses are attributable to one or more program or supporting functions of the Foundation and are allocated between program, support services, and development accordingly. These in-kind expenses include salaries and benefits, travel, postage, printing, supplies, other services, and software costs. Salaries and benefits are allocated based on the estimated percentage of time spent in each functional area by each staff member. The remaining in-kind expenses are allocated based on the specific purpose of each expenditure.

7. Cash and Cash Equivalents

The Foundation considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents.

8. Cash Restricted for Long-Term Purposes

The Student Housing Revenue Note Payable (note J) requires that cash be set aside in separate accounts for specific purposes, such as debt service and repairs and maintenance costs for the Hawks Landing Project (note E). Because these restricted funds are not available for current uses, they are shown separately as a non-current asset in the accompanying statements of financial position.

9. Investments

Investments in debt and equity securities with readily determinable fair values are carried at quoted market value. The net changes in market prices and the realized gains and losses on investments sold are reflected in the statements of activities as the net realized and unrealized gains and losses on investments.

10. Accounts Receivable

Accounts receivable and tenant rent receivable are stated at the amount management expects to collect. Management periodically assesses the collectability of accounts receivable and, when it is determined that the full amount is not collectible, writes off the portion in question or establishes reserves for outstanding balances in question. The Foundation recorded no allowance for doubtful accounts as of June 30, 2024 and 2023. Actual write-offs may exceed the allowance.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Pledges Receivable

The fair value of unconditional promises to give to be received in more than one year is estimated based on future cash flows discounted 3% at June 30, 2024 and 2023. Unconditional promises to give to be received in less than one-year approximate fair value because of their short maturity. The Foundation monitors the collectability of promises to give and estimates an allowance for uncollectible accounts. There was no allowance for pledges receivable as of June 30, 2024 and 2023.

12. Fair Value of Financial Instruments

The carrying value of financial instruments such as accounts receivable and accounts payable approximate fair value due to their short-term nature.

13. Income Taxes

The Foundation is a not-for-profit organization exempt from income taxes, except on "unrelated business income", under section 501(c)(3) of the U.S. Internal Revenue Code and applicable state statute. There was no unrelated business income during the fiscal years ended June 30, 2024 and 2023, therefore, no tax was due.

The Foundation follows the income tax standard for uncertain tax positions. The Foundation has evaluated their tax provisions and determined they have no uncertain tax positions as of June 30, 2024.

14. Land, Buildings and Equipment and Depreciation

The Foundation follows the practice of recording fixed assets at cost if purchased, or if donated, at the fair market value on the date of gift with an expected life over one year. Depreciation expense is computed using the straight-line method with useful lives ranging from 3 to 27.5 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements over \$1,000 are capitalized as projects are constructed.

15. Impairment of Long-Lived Assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If this review reveals an indicator of impairment, as determined based on estimated undiscounted cash flows, the carrying amounts of the related long-lived assets are adjusted to fair value. Management has determined that there has been no impairment in the carrying value of its long-lived assets as of June 30, 2024 and 2023.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

16. Special Events

The Foundation conducts special events for the purpose of raising money for annual operations. The Foundation had special events' revenue of approximately \$288,000 and \$288,000 with related expenses of approximately \$214,000 and \$165,000 during the years ended June 30, 2024 and 2023, respectively.

17. New Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurements of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The adoption of this accounting standard did not have a material impact on the financial statements.

NOTE B - PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give by donors. Pledges that are expected to be collected after one year have been discounted using a rate of 3% and are reflected in the financial statements at their net present value. Pledges receivable consisted of the following at June 30,:

	<u>2024</u>	<u>2023</u>
Total pledges	\$ 2,769,390	\$ 1,624,332
Less allowance for uncollected pledges	-	-
Less unamortized discount for present value	<u>(84,685)</u>	<u>(53,785)</u>
Pledges receivable, net	<u>\$ 2,684,705</u>	<u>\$ 1,570,547</u>

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE B - PLEDGES RECEIVABLE - Continued

Pledges receivable expected to be collected after June 30, 2024:

<u>Year ending June 30,</u>	
2025	\$ 1,379,390
2026	484,000
2027	459,000
2028	322,000
2029	10,000
Thereafter	<u>115,000</u>
	2,769,390
Less allowance for uncollected pledges and less unamortized discount	<u>(84,685)</u>
	<u><u>\$ 2,684,705</u></u>

NOTE C - INVESTMENTS

The Foundation has developed an extensive investment policy which provides the investment committee with general principles for establishing the investing goals of the Foundation. The investment objectives of the Foundation are:

- To provide funding for scholarships, activities, capital assets, and other programs;
- To maintain purchasing power;
- To prudently grow the investment assets to provide additional funding to the Foundation;
- To maximize long-term growth without undue risk, consistent with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA);
- To achieve a competitive rate of return

The Foundation recognizes the potential conflicts which exist in attempting to achieve these objectives and intends its assets to be invested with the reasonable care, skill, diligence, and prudence consistent with the type of organization this Foundation represents.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE C - INVESTMENTS - Continued

Investments include the following as of June 30,:

	<u>2024</u>	<u>2023</u>
Common Stock	\$ -	\$ 13,679
Beneficial interest in assets held by others	392,839	363,567
Exchange traded funds	770,040	856,625
Mutual Funds	<u>16,070,163</u>	<u>13,721,161</u>
Total	<u>\$ 17,233,042</u>	<u>\$ 14,955,032</u>

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

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 554,859	\$ 443,149
Realized gains	406,687	503,722
Unrealized gains	1,057,284	409,059
Investment expenses	<u>(50,499)</u>	<u>(56,267)</u>
Total investment income	<u>\$ 1,968,331</u>	<u>\$ 1,299,663</u>

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation has adopted the FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" ("ASC 820") which establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). Under ASC 820, a fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. ASC 820 requires disclosures that stratify statement of financial position amounts measured at fair value based on inputs the Foundation used to derive fair value measurements.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

These strata include:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data.

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<u>June 30, 2024</u>				
Exchange traded funds	\$ 770,040	\$ 770,040	\$ -	\$ -
Mutual Funds	16,070,163	16,070,163	-	-
Beneficial interest in assets held by others	392,839	-	-	392,839
Total	<u>\$ 17,233,042</u>	<u>\$ 16,840,203</u>	<u>\$ -</u>	<u>\$ 392,839</u>
<u>June 30, 2023</u>				
Exchange traded funds	\$ 856,625	\$ 856,625	\$ -	\$ -
Mutual Funds	13,721,161	13,721,161	-	-
Common stock	13,679	13,679	-	-
Beneficial interest in assets held by others	363,567	-	-	363,567
Total	<u>\$ 14,955,032</u>	<u>\$ 14,591,465</u>	<u>\$ -</u>	<u>\$ 363,567</u>

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following illustrates a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30,:

	<u>2024</u>	<u>2023</u>
Beneficial interest in assets held by others at beginning of year	\$ 363,567	\$ 392,223
Distributions	(16,319)	(15,823)
Investment income	6,946	6,741
Realized and unrealized gains (losses)	41,471	(16,811)
Investment expenses	<u>(2,826)</u>	<u>(2,763)</u>
Beneficial interest in assets held by others at end of year	<u>\$ 392,839</u>	<u>\$ 363,567</u>

NOTE E - HAWKS LANDING PROJECT

The book value of the fixed assets relating to the Hawks Landing Project were as follows at June 30,:

	<u>2024</u>	<u>2023</u>
Buildings	\$ 18,127,411	\$ 17,037,053
Land improvements	2,604,822	2,566,747
Furniture, fixtures, and equipment	<u>1,374,876</u>	<u>1,196,085</u>
	22,107,109	20,799,885
Less accumulated depreciation	<u>(13,992,849)</u>	<u>(12,881,512)</u>
Total	<u>\$ 8,114,260</u>	<u>\$ 7,918,373</u>

Depreciation expense was approximately \$1,111,000 and \$1,089,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE F - RELATED PARTY TRANSACTIONS

The Foundation entered into a master ground lease agreement on July 19, 2006 with Hillsborough Community College. Under this agreement, the Foundation is required to construct certain capital projects. The lease will terminate on the later of 1) January 1, 2035 or 2) the date that all proceeds from the bonds used to construct the capital project on the initial leased premises and any obligations under any "Related Financing Documents" relating to such Bonds are fully paid and cancelled. The term of the master ground lease shall in no event be more than 50 years. Rent is one dollar (\$1.00) per year.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE F - RELATED PARTY TRANSACTIONS - Continued

The Foundation provides funds to the College for college scholarships, athletic housing, academic programs, and staff development and support in accordance with the mission statement of the Foundation. These funds totaled \$3,801,151 and \$2,963,543 for the years ended June 30, 2024 and 2023, respectively, which are included as program expenses in the accompanying statements of activities. The amount payable to the College is \$514,040 and \$545,641 at June 30, 2024 and 2023, respectively, which is included in accounts payable and accrued expenses in the accompanying statements of financial position.

The College provides funds to the Foundation in the form of contributions for certain scholarship funds. These funds totaled \$1,775 and \$15,875 for the years ended June 30, 2024 and 2023, respectively, which are included as contribution in the accompanying statements of activities.

The Foundation is run and managed by personnel that are employees of the College. The College pays the salaries and benefits of these employees on the Foundation's behalf.

The Foundation recorded contributed services, materials, and software totaling \$682,503 and \$681,930 for the years ended June 30, 2024 and 2023, respectively. The offset of these contributed services, materials, and software is included in program services, support services and development expenses on the accompanying statements of functional expenses.

NOTE G - SPECIAL EVENTS

The Foundation had the following special events during the fiscal year ended June 30,:

2024	Revenue	Expense	Net
Presidential showcase	\$ 127,994	\$ 131,526	\$ (3,532)
Fishing tournament	97,396	55,853	41,543
Golf tournament	62,466	26,304	36,162
Total	\$ 287,856	\$ 213,683	\$ 74,173
2023	Revenue	Expense	Net
Presidential showcase	\$ 157,922	\$ 97,436	\$ 60,486
Fishing tournament	116,289	58,264	58,025
Career fair	14,000	8,940	5,060
Total	\$ 288,211	\$ 164,640	\$ 123,571

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE H - CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS

Cash balances are maintained in financial institutions and occasionally deposits exceed amounts insured by the Federal Deposit Insurance Corporation and can potentially subject the Foundation to credit losses.

NOTE I - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions show a surplus of \$5,712,627 and \$4,946,475 as of June 30, 2024 and 2023, respectively. These amounts include the cumulative net surplus of the Hawks Landing Project (note E), which totals \$1,968,080 and 1,640,019 as of June 30, 2024 and 2023, respectively. The Foundation's net assets without donor restrictions consists of the following as of June 30,:

	<u>2024</u>	<u>2023</u>
Undesignated		
Foundation	\$ 3,365,495	\$ 2,940,894
Hawk's Landing	<u>1,968,080</u>	<u>1,640,019</u>
	<u>5,333,575</u>	<u>4,580,913</u>
Board designated:		
Endowment	<u>394,832</u>	<u>365,562</u>
Total board designated	<u>394,832</u>	<u>365,562</u>
 Total net assets without donor restrictions	 <u>\$ 5,728,407</u>	 <u>\$ 4,946,475</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following uses as of June 30,:

	<u>2024</u>	<u>2023</u>
Scholarships	\$ 4,216,127	\$ 3,069,632
College support activities	2,457,537	2,438,033
Endowed scholarships	6,758,982	6,259,011
Endowed college support activities	579,803	376,653
Time restrictions - pledges receivable	2,684,705	1,570,547
Time restrictions - set period of time	<u>532,417</u>	<u>407,685</u>
	<u>\$ 17,229,571</u>	<u>\$ 14,121,561</u>

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE I - NET ASSETS - Continued

Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

The net assets released from restrictions are as follows for the years June 30,:

	<u>2024</u>	<u>2023</u>
Net assets released due to purpose or period restrictions accomplished		
Scholarships	\$ 977,957	\$ 1,762,471
College support	765,727	347,132
Other	38,269	166,009
	<u>1,781,953</u>	<u>2,275,612</u>
Net assets released due to the passage of time	<u>-</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 1,781,953</u>	<u>\$ 2,275,612</u>

NOTE J - STUDENT HOUSING REVENUE NOTE PAYABLE

The Foundation issued Student Housing Revenue Bonds, Series 2006 (the Bonds) in the amount of \$18,600,000 on December 6, 2006. Interest on the Bonds was payable at a variable rate equal to the municipal swap index rate, which was 0.41% at June 30, 2016. In conjunction with the issuance of the Bonds, the Foundation entered into an interest rate swap agreement to effectively fix the interest rate on the Bonds at 3.59%.

The Bonds were to mature on December 1, 2033. The proceeds raised from the issuance of the Bonds were used to construct a 420-bed student housing facility. This facility along with the revenue generated from the project served as collateral for the Bonds. In conjunction with the original issuance of the Bonds, the Foundation also entered into a \$18.6 million letter of credit that served as security for the Bonds. This letter of credit expired in December 2016.

The Foundation refinanced the Bonds in the amount of \$14,734,000 on December 15, 2016. Interest on the new revenue note payable is at a fixed rate equal to 2.07%. In conjunction with the issuance of the note payable, the Foundation's interest rate swap agreement was terminated. The note payable matures on December 1, 2032.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE J - STUDENT HOUSING REVENUE NOTE PAYABLE - Continued

Debt issuance costs of approximately \$76,000 associated with this refinancing are being amortized over the life of the debt using the straight-line method, which approximates the effective interest method. Accumulated amortization approximated \$37,100 and \$32,300 at June 30, 2024 and 2023, respectively. Amortization of debt issuance costs totaled approximately \$5,000 for the years ended June 30, 2024 and 2023 and is included in interest expense.

The future schedule maturities of the revenue note payable are as follows:

<u>Year ending June 30,</u>	
2025	\$ 919,000
2026	937,000
2027	957,000
2028	977,000
2029	998,000
2030 - 2033	<u>3,655,000</u>
Total notes payable	8,443,000
Less unamortized loan costs	<u>(39,174)</u>
	8,403,826
Less current portion	<u>919,000</u>
	<u><u>\$ 7,484,826</u></u>

NOTE K - ENDOWMENT

The Foundation has a donor restricted endowment fund established to provide income to support its various program services. Net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's Board of Directors has interpreted relevant state law, which is Chapter 617.2104, Florida Statutes, the Florida Uniform Prudent Management of Institutional Funds Act (Florida 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 classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gift 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 Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE K - ENDOWMENT - Continued

The Foundation classifies as net assets with donor restrictions all investment income, inclusive of interest, dividends, and realized and unrealized gains and losses, earned on the invested assets within the endowment fund, and the investment income earned has been restricted as to its use by donors.

These amounts are released from restriction once they are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Florida UPMIFA.

In accordance with Florida UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor endowment funds:

- 1) The purposes of the Foundation
- 2) The intent of the donors of the endowment fund
- 3) The terms of the applicable instrument
- 4) The long-term and short-term needs of the Foundation carrying out its purposes
- 5) The general economic conditions
- 6) The possible effect of inflation or deflation
- 7) The other revenue sources of the Foundation
- 8) Perpetuation of the endowment

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions is classified as net assets without donor restrictions. The Foundation considers any donor contributions and related earnings to the endowment fund made without any stipulations or restrictions as to the preservation of the original corpus to be appropriated and available for the current year operations.

The endowment pool spending policy allows the withdrawal of up to 5% annually of the average of the previous 12 quarters' market value.

Endowment net asset composition by type is as follows for the year ended:

<u>June 30, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted - endowment funds	\$ -	\$ 12,119,825	\$12,119,825
Board designated - endowment funds	<u>394,832</u>	<u>-</u>	<u>394,832</u>
Total funds	<u>\$ 394,832</u>	<u>\$ 12,119,825</u>	<u>\$12,514,657</u>

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE K - ENDOWMENT - Continued

<u>June 30, 2023</u>	<u>Unrestricted</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted - endowment funds	\$ -	\$ 10,349,906	\$10,349,906
Board designated - endowment funds	<u>365,562</u>	<u>-</u>	<u>365,562</u>
Total funds	<u>\$ 365,562</u>	<u>\$ 10,349,906</u>	<u>\$10,715,468</u>

The endowment net assets and activity for 2024 and 2023 consisted of the following:

	<u>Net Assets</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment fund balance as of June 30, 2022	\$ 394,218	\$ 9,176,485	\$ 9,570,703
Contributions	-	988,281	988,281
Realized and unrealized (loss) gain	(16,811)	736,512	719,701
Investment income, other, net of expenses	3,978	283,019	286,997
Appropriations	<u>(15,823)</u>	<u>(834,391)</u>	<u>(850,214)</u>
Endowment fund balance as of June 30, 2023	365,562	10,349,906	10,715,468
Contributions	-	811,544	811,544
Realized and unrealized gain	41,469	1,084,367	1,125,836
Investment income, other, net of expenses	4,120	336,248	340,368
Appropriations	<u>(16,319)</u>	<u>(462,240)</u>	<u>(478,559)</u>
Endowment fund balance as of June 30, 2024	<u>\$ 394,832</u>	<u>\$ 12,119,825</u>	<u>\$ 12,514,657</u>

Investment Strategy, Return Objectives and Risk Parameters

The general investment goals and strategy in relation to the endowment are under the fiduciary responsibility and oversight of the Foundation's Investment Committee (the "Committee"). The Committee manages the assets of the endowment fund so as to provide the highest total return consistent with prudent investment practices, providing for long-term returns sufficient to cover the return requirements of the spending formula.

The returns achieved by investment management are to be sufficient to overcome inflationary effects and preserve the purchasing power of the corpus. Safety and preservation of capital are critical considerations.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE K - ENDOWMENT - Continued

The investment objectives require a disciplined and consistent management philosophy that accommodates investment opportunities that are reasonable and profitable. Extreme positions or speculative styles are not consistent with this philosophy.

Spending Policy and How Investment Objectives Relate to Spending

The board of directors approved appropriations of 5% during 2024 and 2023 of the endowment fund based on the spending policy in place. The percentage is determined based on the overall needs of the Foundation balanced with the long-term investment return objectives for a fund to be held in perpetuity.

NOTE L - CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Foundation received the following contributions of nonfinancial assets for the year ended June 30,:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 274,958	\$ -
Vehicles	170,000	-
Works of art	40,189	31,150
Office expenses	1,962	-
Software	1,259	-
Services	<u>683,527</u>	<u>681,930</u>
Total	<u>\$ 1,171,895</u>	<u>\$ 713,080</u>

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE M - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the date of the financial statements of financial position for general expenditure as of June 30,:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,620,274	\$ 1,470,291
Accounts receivable	597,765	447,529
Current portion of pledges receivable	1,379,390	959,332
Investments	<u>17,233,042</u>	<u>14,955,032</u>
 Total financial assets available within one year	 <u>20,830,471</u>	 <u>17,832,184</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	14,012,449	12,143,329
Restricted by time	<u>3,217,122</u>	<u>1,978,232</u>
Total amounts unavailable for general expenditures within one year	<u>17,229,571</u>	<u>14,121,561</u>
 Amounts unavailable to management without Board's approval:		
Board designated for endowment	<u>394,832</u>	<u>365,562</u>
Total amounts unavailable to management without Board's approval	<u>394,832</u>	<u>365,562</u>
 Total financial assets available to management for expenditure within one year	 <u><u>\$ 3,206,068</u></u>	 <u><u>\$ 3,345,061</u></u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Foundation maintains an investment account with a balance of at least \$700,000. This account is invested to preserve capital and maintain purchasing power and includes 20% in money market investments. Additionally, scholarships are awarded based on a spending withdrawal from endowment investments or by donations on hand, meaning funds are already available when scholarships become due each semester. Excess cash not immediately needed is invested in short-term CDs. As employees of the college, Foundation staff salaries, benefits and overhead costs are absorbed by HCC and do not require cash outlay from the Foundation.

The Hillsborough Community College Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE N - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Foundation expects such amounts, if any, to be immaterial.

NOTE O - CONCENTRATIONS

Four donors made up approximately 57% and 42% of total contributions for the years ended June 30, 2024 and 2023, respectively.

NOTE P - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to June 30, 2024 as of August 12, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

The Hillsborough Community College Foundation, Inc.

CREDIT RISK DISCLOSURE

June 30, 2024

Investment Type	Fair Value June 30, 2024	Fair Value June 30, 2023	Credit Risk	Maturity
U.S. government obligations	<u>\$ 1,707,137</u>	<u>\$ 2,804,018</u>	S & P AAAm	Weighted average of the fund portfolio: 45 days
Total cash equivalents	<u>\$ 1,707,137</u>	<u>\$ 2,804,018</u>		
Additional information	<u>Fair Value June 30, 2024</u>	<u>Fair Value June 30, 2023</u>		
Open end mutual funds	\$ 16,070,163	\$ 13,721,161		
Beneficial interest in assets held by others	<u>392,839</u>	<u>363,567</u>		
Total investments	<u>\$ 16,463,002</u>	<u>\$ 14,084,728</u>		
Investment expense	<u>\$ 50,499</u>	<u>\$ 56,267</u>		

INDEPENDENT AUDITORS' 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*

THE HILLSBOROUGH COMMUNITY COLLEGE FOUNDATION, INC.

June 30, 2024



INDEPENDENT AUDITORS' 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

Governance Board
The Hillsborough Community College Foundation, Inc.

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 The Hillsborough Community College Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 12, 2024.

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) to determine the 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 may exist that have not been identified.

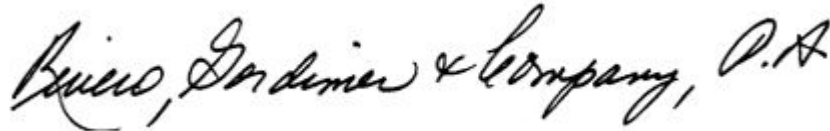


Report on Compliance and Other Matters

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 determination of financial statement amounts. 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 organization'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.

A handwritten signature in black ink that reads "Bueco, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
August 12, 2024