

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
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MARCH 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Tallahassee State College Foundation, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tallahassee State College Foundation, Inc. (the Foundation), a component unit of Tallahassee State College (the College), which comprise the statements of financial position as of March 31, 2025 and 2024, 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 March 31, 2025 and 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 judgement made by a reasonable user based on the financial statements.

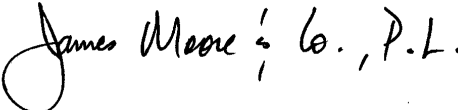
In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgement 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 judgement, 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 July 29, 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 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.

James Moore & Co., P.L.

Tallahassee, Florida
July 29, 2025

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 140,030	\$ 41,701
Investments	2,031,462	1,353,012
Contributions receivable, current portion (net)	321,155	268,031
Total current assets	2,492,647	1,662,744
Noncurrent assets		
Cash and cash equivalents for endowments	829,282	592,922
Investment endowments	23,047,846	21,035,376
Contributions receivable, noncurrent portion (net)	390,930	487,370
Land held for sale	-	410,000
Total noncurrent assets	24,268,058	22,525,668
Total Assets	\$ 26,760,705	\$ 24,188,412
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 329,480	\$ 317,264
Total current liabilities	329,480	317,264
Total liabilities	329,480	317,264
Net assets		
Without donor restrictions	2,172,383	2,098,515
With donor restrictions	24,258,842	21,772,633
Total net assets	26,431,225	23,871,148
Total Liabilities and Net Assets	\$ 26,760,705	\$ 24,188,412

The accompanying notes to the financial statements
are an integral part of these statements.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Private contributions	\$ 37,945	\$ 2,242,703	\$ 2,280,648	\$ 476,750	\$ 888,468	\$ 1,365,218
In-kind contributions	885,589	-	885,589	681,017	-	681,017
Investment income, net	55,154	1,309,432	1,364,586	122,247	3,346,994	3,469,241
Special events	773,294	-	773,294	453,705	-	453,705
Miscellaneous	32,362	-	32,362	30,588	10,000	40,588
Net assets released from restrictions:						
Satisfaction of program and time restrictions	1,487,624	(1,487,624)	-	1,491,076	(1,491,076)	-
Reclassification between net asset classes	(421,698)	421,698	-	(110,391)	110,391	-
Total support and revenues	<u>2,850,270</u>	<u>2,486,209</u>	<u>5,336,479</u>	<u>3,144,992</u>	<u>2,864,777</u>	<u>6,009,769</u>
Expenses						
Program services - educational activities	1,395,200	-	1,395,200	1,530,652	-	1,530,652
General and administrative	491,145	-	491,145	340,315	-	340,315
Development activities	890,057	-	890,057	750,070	-	750,070
Total expenses	<u>2,776,402</u>	<u>-</u>	<u>2,776,402</u>	<u>2,621,037</u>	<u>-</u>	<u>2,621,037</u>
Increase in net assets	<u>73,868</u>	<u>2,486,209</u>	<u>2,560,077</u>	<u>523,955</u>	<u>2,864,777</u>	<u>3,388,732</u>
Net assets, beginning of year	2,098,515	21,772,633	23,871,148	1,574,560	18,907,856	20,482,416
Net assets, end of year	<u>\$ 2,172,383</u>	<u>\$ 24,258,842</u>	<u>\$ 26,431,225</u>	<u>\$ 2,098,515</u>	<u>\$ 21,772,633</u>	<u>\$ 23,871,148</u>

The accompanying notes to the financial statements
are an integral part of these statements.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025

	<u>Educational Activities</u>	<u>General and Administrative</u>	<u>Development Activities</u>	<u>Total</u>
Scholarships	\$ 802,078	\$ 3,278	\$ -	\$ 805,356
In-kind personnel services	103,496	151,239	343,545	598,280
Contract services	14,681	133,901	212,639	361,221
Academic and athletic support	256,456	5,686	-	262,142
Provision for credit losses	-	-	37,610	37,610
Hospitality and events	36,370	62,601	66,955	165,926
Materials and supplies	46,187	11,079	42,234	99,500
Professional fees	-	21,600	-	21,600
Honoraria and awards	29,049	15,625	8,474	53,148
Travel	1,075	1,736	2,518	5,329
Advertising	556	39,616	326	40,498
Printing and postage	3,171	5,195	5,072	13,438
Bank fees	-	-	8,112	8,112
Meetings	-	5,105	1,335	6,440
Licenses	-	97	-	97
Insurance	-	5,652	403	6,055
Dues and subscriptions	199	2,898	70	3,167
Miscellaneous	1,405	-	-	1,405
In-kind office supplies	78,418	20,165	125,469	224,052
In-kind office space	22,059	5,672	35,295	63,026
Total expenses	<u><u>\$ 1,395,200</u></u>	<u><u>\$ 491,145</u></u>	<u><u>\$ 890,057</u></u>	<u><u>\$ 2,776,402</u></u>

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

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024

	<u>Educational Activities</u>	<u>General and Administrative</u>	<u>Development Activities</u>	<u>Total</u>
Scholarships	\$ 770,280	\$ -	\$ 1,275	\$ 771,555
In-kind personnel services	328,300	86,998	76,772	492,070
Contract services	18,028	79,218	237,093	334,339
Academic and athletic support	206,752	850	23,133	230,735
Provision for credit losses	-	-	225,426	225,426
Hospitality and events	13,930	43,818	68,387	126,135
Materials and supplies	37,988	4,129	35,172	77,289
Professional fees	-	18,000	-	18,000
Honoraria and awards	37,766	796	13,824	52,386
Travel	799	8,776	3,084	12,659
Advertising	5,217	11,624	6,769	23,610
Printing and postage	306	10,936	10,433	21,675
Bank fees	-	-	15,381	15,381
Meetings	4,593	7,927	1,611	14,131
Licenses	-	13,000	-	13,000
Insurance	-	10,026	-	10,026
Training	2,740	2,184	-	4,924
Dues and subscriptions	144	1,565	40	1,749
In-kind office supplies	60,920	23,749	18,586	103,255
In-kind office space	42,889	16,719	13,084	72,692
Total expenses	<u><u>\$ 1,530,652</u></u>	<u><u>\$ 340,315</u></u>	<u><u>\$ 750,070</u></u>	<u><u>\$ 2,621,037</u></u>

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

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Cash received from contributors and others	\$ 1,765,026	\$ 1,088,445
Cash received from interest and dividends	499,470	466,617
Cash paid for scholarships and suppliers	(1,878,597)	(1,732,161)
Net cash provided by (used in) operating activities	385,899	(177,099)
Cash flows from investing activities		
Purchases of investments	(1,494,997)	(361,994)
Sales of investments	102,958	138,780
Proceeds from sale of land held for investment	400,000	-
Net cash provided by (used in) investing activities	(992,039)	(223,214)
Cash flows from financing activities		
Contributions restricted for endowments	940,829	374,156
Increase (decrease) in cash, cash equivalents, and restricted cash	334,689	(26,157)
Cash, cash equivalents, and restricted cash, beginning of year	634,623	660,780
Cash, cash equivalents, and restricted cash, end of year	\$ 969,312	\$ 634,623
Reconciliation of increase in net assets to net cash provided by (used in) operating activities		
Increase in net assets	\$ 2,560,077	\$ 3,388,732
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized (gain) loss on investments	(1,288,881)	(3,468,561)
(Increase) decrease in:		
Contributions receivable	43,316	69,027
Increase (decrease) in:		
Accounts payable and accrued expenses	12,216	207,859
Contributions restricted for endowments	(940,829)	(374,156)
Total adjustments	(2,174,178)	(3,565,831)
Net cash provided by (used in) operating activities	\$ 385,899	\$ (177,099)

The accompanying notes to the financial statements
are an integral part of these statements.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:**

(a) **Nature of organization**—Tallahassee State College Foundation, Inc. (the Foundation) was incorporated on February 23, 1981, as a Florida non-profit corporation under the provisions of 1004.70 Florida Statutes – Florida College System institution direct-support organizations. The Foundation was organized to aid the advancement of Tallahassee State College (the College) and to support attending students by means of academic scholarships and student loans. The Foundation receives revenue primarily from private contributions, donated services from the College, fund raising events, and earnings from its managed investment pools.

(b) **Basis of presentation and classification of net assets**—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation’s net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions - consists of amounts that are available for use in carrying out the supporting activities of the Foundation and are not subject to donor-imposed stipulations.

Net assets with donor restrictions - consists of amounts that are available for the purposes restricted by donors and grantors, a time restriction, or to be held in perpetuity with earnings restricted for a specific purpose. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(c) **Income taxes**—The Foundation is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Foundation has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code. The Foundation is subject to federal and state income tax on income from unrelated business activities, if any; however, management has determined that no material unrelated-business taxable income was generated for the years presented. The Foundation’s federal information returns (Forms 990) for the preceding three fiscal years remain subject to examination by the Internal Revenue Service, but not such examinations have occurred.

(d) **Advertising costs**—The Foundation expenses advertising costs as incurred.

(e) **Investments and fair value measurements**—The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position (see Note 7). Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Cash, cash equivalents, and restricted cash**—The Foundation considers cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes are excluded from this definition. Cash equivalents include investments in a government money market fund that is highly liquid and readily available for use.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

	2025	2024
Cash and cash equivalents	\$ 140,030	\$ 41,701
Cash restricted for endowment purposes	829,282	592,922
	\$ 969,312	\$ 634,623

(h) **Contributions receivable**—Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not recognized until the conditions are substantially met. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The Foundation considers a contribution to be past due once it exceeds 90 days past the scheduled due date. No interest is charged on past-due balances. Promises to give are written off when deemed uncollectable.

(i) **Contributed services and facilities**—The Foundation recognizes contributed services and facilities as support and corresponding expenses in the accompanying financial statements if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The College provides the Foundation with donated personnel, office space, and supplies. The value of donated personnel includes salaries and benefits for administrative staff and other services that meet the criteria for recognition under U.S. GAAP. Donated facilities represent the fair value of office space and supplies provided for Foundation operations.

The estimated value of these in-kind contributions is determined based on the College’s actual cost of services and prevailing market rates for comparable space, materials, and labor, and is recorded as in-kind contribution revenue and as functional expenses in the statements of functional expenses.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Functional allocation of expenses**—The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. In-kind salaries and benefits provided by the College are allocated based on management’s estimate of time and effort. All other expenses are recorded based on the nature of the expense directly related to the functional category.

(k) **Reclassifications**—Certain items on the prior year statement of activities have been reclassified to conform to the current year’s presentation. There was no impact on net assets.

(2) **Related Party Transactions:**

Personnel and certain facility costs are provided to the Foundation by the College. For the years ended March 31, 2025 and 2024, the Foundation has recorded these donated services at \$598,280 and \$492,070 for personnel services, \$63,026 and \$62,142 for facility costs, and \$224,052 and \$113,805 for other office expenses, respectively. The Foundation owed \$309,034 and \$284,049 to the College for scholarships at March 31, 2025 and 2024.

In addition, during the years ending March 31, 2025 and 2024, the Foundation utilized the services of vendors owned by board members in the amount of \$13,746 and \$12,791, respectively.

(3) **Contributions Receivable:**

Contributions receivable consist of unconditional promises to give for the Foundation’s Major Gifts Campaign and College Employee Giving Program. The present value of estimated future cash flows have been calculated using a discount rate of 3.96% and 4.21%, after providing for collection losses for the years ended March 31, 2025 and 2024, respectively. A summary of contributions to be collected follows:

	2025	2024
In one year or less	\$ 321,155	\$ 268,031
Between one year and five years	418,185	781,924
More than five years	214,445	305,000
	953,785	1,049,955
Less:		
Allowance for collection losses	(36,610)	(38,488)
Discounts for time-value of money	(205,090)	(256,066)
	\$ 712,085	\$ 755,401

The Foundation is the beneficiary of conditional promises to give. A conditional promise requires a future event to take place before the promise becomes binding on the donor. Typically, the Foundation has no control over the required event. As of March 31, 2025 and 2024, the Foundation was the beneficiary of various promises to give that did not meet recognition criteria of approximately \$4,135,500 and \$3,822,400, respectively. No receivable has been recorded and no contribution revenue has been recognized for these conditional pledges.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(4) Investments:

The following are the major types of investments held by the Foundation at March 31, 2025 and 2024:

	2025	2024
Investment pool	\$ 23,047,846	\$ 21,035,376
Land held for sale	-	410,000
Bond mutual and exchange traded funds	2,031,462	1,353,012
	\$ 25,079,308	\$ 22,798,388

March 31, 2025

The investment pool consists of 92.8% in mutual funds and exchange traded funds (ETFs), 1.9% in alternative investment funds, and 5.3% in demand deposits.

March 31, 2024

The investment pool consists of 97.7% in mutual funds and ETFs, 2.3% in alternative investment funds, and less than 1% in demand deposits.

The investment return, which is included in revenue and support as a component of investment income, is composed of the following for the years ended March 31, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 537,669	\$ 514,727
Net realized gain (loss) on investments	22,721	17,240
Net unrealized gain (loss) on investments	871,590	2,984,704
Investment fees	(57,394)	(47,430)
Total investment return	\$ 1,364,586	\$ 3,469,241

(5) Commitments:

As of March 31, 2024, the Foundation maintained programmatic grant commitments to the College totaling \$99,500, representing a conditional promise to give contingent upon the College's fulfillment of specified donor or grantor restrictions. There were no such conditional commitments outstanding as of March 31, 2025.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(6) Fair Value Measurements:

FASB guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The guidance describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices from nationally recognized securities exchanges.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.
- Level 3: Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

As of March 31, 2024, the Foundation held land for sale measured at fair value using Level 2 inputs, namely independent market appraisals. The land was sold during the year ended March 31, 2025.

The Foundation holds an investment in a private equity fund managed measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient. The NAV is provided by the fund manager and is based on the fair value of the underlying investments held by the fund. Because this investment is valued using NAV as a practical expedient, it is not classified within the fair value hierarchy. This private equity fund is a diversified investment vehicle that seeks to generate long-term capital appreciation by investing in a portfolio of private equity funds and co-investments. The fund targets a mix of buyout, growth equity, and opportunistic strategies across multiple sectors and geographies, with an emphasis on middle-market and lower-middle-market managers. Investments are made through a combination of primary fund commitments, secondary purchases, and direct co-investments, with a focus on generating attractive risk-adjusted returns through manager selection and portfolio construction. Redemptions are not permitted. The fund distributes proceeds upon the liquidation of underlying investments at the discretion of the general partner. As of March 31, 2025, the Foundation had immaterial unfunded commitments related to this fund. These commitments are not expected to have a significant impact on liquidity or future cash flows.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(6) **Fair Value Measurements:** (Continued)

	Fair Value Measurements as of March 31, 2025			
	Level 1	Level 2	Level 3	Total
Investments restricted for endowment purposes				
Fixed rate commercial paper	\$ 1,217,811	\$ -	\$ -	\$ 1,217,811
Domestic equity securities	12,240,611	-	-	12,240,611
International equity securities	6,930,531	-	-	6,930,531
Domestic bond mutual funds and ETFs	1,195,385	-	-	1,195,385
International bond mutual funds	1,035,510	-	-	1,035,510
Subtotal of investments within fair value hierarchy	22,619,848	-	-	22,619,848
Private equity fund (NAV practical expedient)	-	-	-	427,998
Total investments restricted for endowment purposes	22,619,848	-	-	23,047,846
Non-endowed investments				
Equity mutual funds	476,061	-	-	476,061
Bond mutual funds and ETFs	1,011,386	-	-	1,011,386
Commercial paper and notes	544,015	-	-	544,015
Total non-endowed investments	2,031,462	-	-	2,031,462
Total assets at fair value within hierarchy	24,651,310	-	-	24,651,310
Private equity fund (NAV practical expedient)	-	-	-	427,998
Total assets at fair value	\$ 24,651,310	\$ -	\$ -	\$ 25,079,308

	Fair Value Measurements as of March 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments restricted for endowment purposes				
Domestic equity securities	\$ 11,175,516	\$ -	\$ -	\$ 11,175,516
International equity securities	6,514,665	-	-	6,514,665
Domestic bond mutual funds and ETFs	1,999,353	-	-	1,999,353
International bond mutual funds	853,103	-	-	853,103
Subtotal of investments within fair value hierarchy	20,542,637	-	-	20,542,637
Private equity fund (NAV practical expedient)	-	-	-	492,740
Total investments restricted for endowment purposes	20,542,637	-	-	21,035,377
Non-endowed investments				
Equity mutual funds	338,585	-	-	338,585
Bond mutual funds and ETFs	1,014,426	-	-	1,014,426
Total non-endowed investments	1,353,011	-	-	1,353,011
Nonfinancial assets				
Land held for sale	-	410,000	-	410,000
Total assets at fair value within hierarchy	21,895,648	410,000	-	22,305,648
Private equity fund (NAV practical expedient)	-	-	-	492,740
Total assets at fair value	\$ 21,895,648	\$ 410,000	\$ -	\$ 22,798,388

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(7) **Endowments:**

The Foundation's endowments consist of one hundred seventy-six (178) donor restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are classified as net assets with donor restrictions.

Interpretation of Relevant Law—Florida has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which became effective on July 1, 2012. Unless a donor imposes a restriction to the contrary, all endowment funds at the Foundation adhere to the spending policy adopted by the Foundation's Board of Directors. Although UPMIFA does not preclude the Foundation from spending below the original gift value of donor-restricted endowments, the Foundation considers a fund to be "underwater" if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has adopted a policy to not spend from "underwater" endowments unless directed otherwise by the donor. There were no underwater endowments at March 31, 2025 and 2024.

With regard to donor restricted endowments, the Foundation respects and enforces the donor's restriction to preserve the historic gift value of the fund.

Endowment Spending Policy—The maximum endowment spending is equal to 4% of a five (5) year moving average of endowment fund balances starting from the most recent calendar year end. If an endowment does not have five (5) years of historical returns, then the calendar year end balance would be averaged to the extent available. The payout is subject to the following provisions:

1. No disbursement will be made if the endowment fund balance is less than corpus, defined as donor restricted contributions to be held in perpetuity, at the time of the spending calculation.
2. The endowment spending payout is limited to the lesser of the maximum endowment spending calculated above, or the amount by which the endowment fund balance exceeds corpus.

Endowment Investment Policy—The endowment investment policy adopted by the Foundation's Board of Directors seeks long-term growth of principal to preserve and grow Foundation assets, cover expenses, and maintain the approved spending rate of the funds. The Foundation maximizes the probability that the funds will meet or exceed an annualized target rate of return, adjusted for inflation, by having a target rate of return equal to the Board-adopted spending policy's percentage amount plus inflation and expenses. The Board of Directors considers and seeks to minimize appropriate risks when overseeing the funds managed by its contracted investment advisor and selecting its investment strategies. The strategies for achieving the Foundation's investment objectives include a well-diversified portfolio, target allocations in each investment category, guidelines and restricted investments, benchmarks for performance of each asset class, low fees, performance measurement, regular monitoring, and detailed reports.

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(7) **Endowments:** (Continued)

Endowment net assets composition by type of fund as of March 31, 2025:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total Funds
Donor-restricted endowment funds	\$ 10,445,990	\$ 10,430,293	\$ 20,876,283

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total Funds
Endowment net assets, beginning of year	\$ 9,432,439	\$ 9,457,631	\$ 18,890,070
Investment return, net	-	1,319,432	1,319,432
Contributions	1,393,792	-	1,393,792
Transfers	(380,241)	380,241	-
Amounts appropriated for expenditure	-	(727,011)	(727,011)
	\$ 10,445,990	\$ 10,430,293	\$ 20,876,283

Endowment net assets composition by type of fund as of March 31, 2024:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total Funds
Donor-restricted endowment funds	\$ 9,432,439	\$ 9,457,633	\$ 18,890,072

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains and Other	Total Funds
Endowment net assets, beginning of year	\$ 9,064,702	\$ 6,735,091	\$ 15,799,793
Investment return, net	-	3,327,731	3,327,731
Contributions	367,737	-	367,737
Transfers	-	56,486	56,486
Amounts appropriated for expenditure	-	(661,675)	(661,675)
	\$ 9,432,439	\$ 9,457,633	\$ 18,890,072

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(8) Concentrations of Credit Risk:

The more significant concentrations of credit risk are as follows:

- (a) **Demand and time deposits**—The Foundation maintains cash and time deposits with several financial institutions and brokerage houses. The Foundation has no policy requiring collateral or other security to support its deposits, although all demand and time deposits with the financial institutions are federally insured up to FDIC limits. At brokerage houses, amounts are insured by the Securities Investor Protection Corporation (SIPC) up to the SIPC limits.
- (b) **Financial instruments**—Financial instruments that potentially subject the Foundation to concentrations of credit risk include investments. The investments are held in high quality institutions and companies with high credit ratings.
- (c) **Contributions receivable**—Financial instruments that potentially subject the Foundation to concentrations of credit risk include contributions receivable. The contributions receivable is made up of pledge receivables from donors.

(9) Net Assets with Donor Restrictions:

Net assets with donor restrictions as of March 31, 2025 and 2024, are restricted for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Scholarships and grants	\$ 1,219,605	\$ 872,199
Academic, student programs, and support	1,439,303	790,724
Facility support	410,318	427,761
Pledges receivable with purpose restrictions, net	314,330	381,927
	<u>3,383,556</u>	<u>2,472,611</u>
Subject to the passage of time:		
Land	-	410,000
	<u>-</u>	<u>410,000</u>
Subject to spending policy and appropriation:		
Accumulated gains and term endowments	10,430,296	9,462,679
Pledges receivable to be held in perpetuity, net	57,658	52,446
Endowment funds restricted in perpetuity	10,388,332	9,374,897
	<u>20,876,286</u>	<u>18,890,022</u>
Total net assets with donor restrictions	<u>\$ 24,259,842</u>	<u>\$ 21,772,633</u>

TALLAHASSEE STATE COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

(9) **Net Assets with Donor Restrictions:** (Continued)

Net assets with donor restrictions were released from restriction during the years ended March 31, 2025 and 2024, by incurring expenses satisfying restricted purposes, transfers, or by the occurrence of other events specified by donors as follows:

	2025	2024
Satisfaction of restrictions - scholarships	\$ (805,356)	\$ (771,555)
Time restrictions expired	(681,595)	(719,521)
Total net assets released from restrictions	(1,486,951)	(1,491,076)
Reclass from without donor restriction	421,698	110,391
Net change in net assets with donor restrictions	\$ (1,065,253)	\$(1,380,685)

(10) **Liquidity and Availability of Resources:**

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

	2025	2024
Non-endowed cash and cash equivalents	\$ 140,030	\$ 41,701
Non-endowed investments	2,031,462	1,353,012
Current portion of contributions receivable	97,708	82,222
	\$ 2,269,200	\$ 1,476,935

It is the Foundation's policy to employ cash at all times in short term cash equivalents to provide safety, liquidity and return. The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment return of its available funds. The Foundation has various sources of liquidity at its disposal, including cash, cash equivalents, bond mutual funds and exchange traded funds.

For the purposes of analyzing resources available to meet general expenditures over a twelve (12) month period, the Foundation considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. Endowment spending and endowed assets are not included in this calculation, refer to Note 8 for information on the Endowment spending policy of the Foundation.

(11) **Subsequent Events:**

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through July 29, 2025, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**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**

To the Board of Directors,
Tallahassee State College Foundation, Inc.

We have audited in accordance with 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 Tallahassee State College Foundation, Inc. (the Foundation), a component unit of Tallahassee State College, which comprise the statements of financial position as of March 31, 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated July 29, 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 Foundation'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.

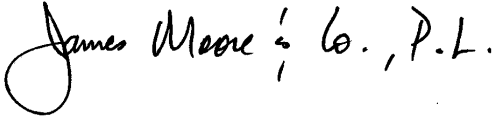
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

James Moore & Co., P.L.

Tallahassee, Florida
July 29, 2025