

*DAVIDSON-DAVIE COMMUNITY COLLEGE
FOUNDATION, INC.*

Lexington, North Carolina

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

June 30, 2021 and 2020

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

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EDDIE CARRICK, CPA, PC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Davidson-Davie Community College Foundation, Inc.
Lexington, North Carolina

I have audited the accompanying financial statements of Davidson-Davie Community College Foundation, Inc., which comprise the statements of financial position as of June 30 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements. I did not audit the financial statements of Davidson-Davie Community College Foundation, Inc. as of June 30, 2020. Those financial statements were audited by other auditors whose report dated September 3, 2020 has been furnished to me, and my opinion, insofar as it related to the amounts included in Davidson-Davie Community College Foundation, Inc.'s June 30, 2020 financial statements, is based solely on the report of the other auditors.

Management's Responsibility 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.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Davidson-Davie Community College Foundation, Inc. as of June 30, 2021 and 2020, 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.

Other Matters

Emphasis of Matter

As discussed in Note M to the financial statements, in January 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation, the duration of any disruption to the nonprofit organization and any financial impact cannot be reasonably estimated at this time. My opinion is not modified with respect to this matter.

Eddie Carrick CPA

September 3, 2021

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DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 3,104,489	\$ 3,032,774
Contributions and other receivables	60,380	89,172
Investments in securities	19,684,438	15,763,369
Equipment, land, and buildings	3,640,914	3,676,704
TOTAL ASSETS	<u>\$ 26,490,221</u>	<u>\$ 22,562,019</u>
 LIABILITIES		
Accounts payable	\$ -	\$ 3,393
TOTAL LIABILITIES	<u>-</u>	<u>3,393</u>
 NET ASSETS		
Net assets without donor restrictions	13,308,517	10,187,636
Net assets with donor restrictions	13,181,704	12,370,990
TOTAL NET ASSETS	<u>26,490,221</u>	<u>22,558,626</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 26,490,221</u>	<u>\$ 22,562,019</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended June 30, 2021 and 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
BALANCE AT JUNE 30, 2019	\$ 10,666,420	\$ 11,809,309	\$ 22,475,729
Increase (decrease) in net assets	(167,599)	250,496	82,897
Transfers	<u>(311,185)</u>	<u>311,185</u>	<u>-</u>
BALANCE AT JUNE 30, 2020	10,187,636	12,370,990	22,558,626
Increase (decrease) in net assets	1,944,458	1,987,137	3,931,595
Transfers	<u>1,176,423</u>	<u>(1,176,423)</u>	<u>-</u>
BALANCE AT JUNE 30, 2021	<u>\$ 13,308,517</u>	<u>\$ 13,181,704</u>	<u>\$ 26,490,221</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 20,559	\$ 419,083	\$ 439,642	\$ 38,037	\$ 132,248	\$ 170,285
Grant revenue	-	156,605	156,605	-	22,550	22,550
Investment income, net of investment advisory fees of \$22,596 in 2021 and \$31,834 in 2020	190,328	188,610	378,938	266,838	250,400	517,238
Realized gains (losses) in investments	97,266	96,388	193,654	93,894	88,110	182,004
Net unrealized gains (losses) on investments	1,884,638	1,867,625	3,752,263	92,679	86,970	179,649
Fundraising income, net of fundraising expenses of \$1,500 in 2021 and \$7,613 in 2020	301	300	601	2,418	2,269	4,687
Health Sciences Building contributions	-	(25,422)	(25,422)	-	34,125	34,125
Miscellaneous income	3,010	2,981	5,991	9,308	8,735	18,043
Net assets released from restrictions: Restrictions satisfied by payment of scholarships	677,867	(677,867)	-	374,911	(374,911)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>2,873,969</u>	<u>2,028,303</u>	<u>4,902,272</u>	<u>878,085</u>	<u>250,496</u>	<u>1,128,581</u>
EXPENSES						
Program services:						
Scholarships and student support	677,867	-	677,867	687,969	-	687,969
Total program services	<u>677,867</u>	<u>-</u>	<u>677,867</u>	<u>687,969</u>	<u>-</u>	<u>687,969</u>
Support services:						
Foundation office - administrative	212,576	-	212,576	240,266	-	240,266
Grant expense	-	41,166	41,166	71,833	-	71,833
Health Sciences building	228	-	228	578	-	578
Management and professional fees	38,840	-	38,840	45,038	-	45,038
Total support services	<u>251,644</u>	<u>41,166</u>	<u>292,810</u>	<u>357,715</u>	<u>-</u>	<u>357,715</u>
TOTAL EXPENSES	<u>929,511</u>	<u>41,166</u>	<u>970,677</u>	<u>1,045,684</u>	<u>-</u>	<u>1,045,684</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 1,944,458</u>	<u>\$ 1,987,137</u>	<u>\$ 3,931,595</u>	<u>\$ (167,599)</u>	<u>\$ 250,496</u>	<u>\$ 82,897</u>

See accompanying notes and independent auditor's report.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 3,931,595	\$ 82,897
Adjustments to reconcile increase (decrease) in net assets to cash provided (used) by operating activities:		
Depreciation	35,790	35,790
Contributions restricted for long-term purposes	(271,141)	(85,346)
Net realized and unrealized (gains) losses on investments	(4,173,554)	(339,601)
Change in assets and liabilities:		
(Increase) decrease in contributions receivable	28,792	31,205
Increase (decrease) in accounts payable	(3,393)	(9,655)
Increase (decrease) in grants payable	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(451,911)	(284,710)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	313,985	3,611,269
Purchase of investments	(61,500)	(744,894)
Purchase of fixed assets	-	(29,820)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	252,485	2,836,555
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes	271,141	85,346
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	271,141	85,346
NET INCREASE (DECREASE) IN CASH	71,715	2,637,191
CASH AND CASH EQUIVALENTS - Beginning of Year	3,032,774	395,583
CASH AND CASH EQUIVALENTS - End of Year	\$ 3,104,489	\$ 3,032,774

SUPPLEMENTAL DISCLOSURES

Noncash investing transactions - none.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Davidson-Davie Community College Foundation, Inc. (the "Foundation") was organized on September 13, 1968 and is engaged in the granting of scholarships and other forms of support for Davidson-Davie Community College based on criteria established by the donors or the Board of Directors. The Foundation is supported primarily through donor contributions, grants, and investment earnings.

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.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

The Foundation's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Foundation's donor-restricted endowment funds that the Foundation is committed to maintaining in perpetuity are classified in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. A significant portion of the contributions received by the Foundation are from donors located in the Piedmont Triad area of North Carolina.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Property and Equipment

The Foundation capitalizes equipment, land, and buildings over \$500. Lesser amounts are expensed. Purchased equipment, land, and buildings are capitalized at cost. Donations of equipment, land, and buildings are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment, land, and buildings are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired asset are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Equipment and buildings are depreciated using the straight-line method over the assets' estimated useful life.

Income Taxes

The Foundation is determined to be exempt from income taxes under Internal Revenue Code Section 501(c)(3). Annual information returns are filed as required by law. The Foundation has determined it has no uncertain income tax positions as of June 30, 2021. Also, the Foundation does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change to its financial position. Information returns for years ended after June 30, 2018 remain open for examination.

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.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE B – CONTRIBUTIONS RECEIVABLE

These contributions receivable are due in the following periods. The Board has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

	2021	2020
One year or less	\$ 40,380	\$ 40,000
Over one year to five years	20,000	60,000
Total contributions	60,380	100,000
Less discount to present value - 4%	-	(10,828)
	\$ 60,380	\$ 89,172

NOTE C – INVESTMENT IN SECURITIES

The Foundation uses several investment companies to manage its investments. At June 30, 2021 and 2020, the following investments were held by the Foundation:

	2021		
	Cost	Net Unrealized Gains (Losses)	Fair Value
Fixed income	\$ 3,721,434	\$ 66,912	\$ 3,788,346
Equities	9,450,804	5,308,618	14,759,422
Real Estate	863,514	273,156	1,136,670
	\$ 14,035,752	\$ 5,648,686	\$ 19,684,438
	2020		
	Cost	Net Unrealized Gains (Losses)	Fair Value
Fixed income	\$ 3,431,002	\$ 70,060	\$ 3,501,062
Equities	9,175,164	1,754,415	10,929,579
Real Estate	1,116,000	216,728	1,332,728
	\$ 13,722,166	\$ 2,041,203	\$ 15,763,369

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE D – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2021 and 2020 are as follows:

<u>June 30, 2021</u>	<u>Fair Value</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant unobservable inputs (Level 2)</u>
Fixed Income	\$ 3,788,346	\$ 3,788,346	\$ -
Equities	14,759,422	14,759,422	-
Real Estate	1,136,670	-	1,136,670
	<u>\$ 19,684,438</u>	<u>\$ 18,547,768</u>	<u>\$ 1,136,670</u>
<u>June 30, 2020</u>			
Fixed Income	\$ 3,501,062	\$ 3,501,062	\$ -
Equities	10,929,579	10,929,579	-
Real Estate	1,332,728	-	1,332,728
	<u>\$ 15,763,369</u>	<u>\$ 14,430,641</u>	<u>\$ 1,332,728</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Investments (Level 1) – The carrying amount approximates fair value which is determined based on quoted market prices.

Investments (Level 2) – The carrying amount is based on observable inputs that are corroborated by market data.

	<u>Level 2 assets year ended June 30, 2021</u>
Balance at beginning of year	\$ 1,332,728
Additional investments	61,500
Distribution received	(313,985)
Unrealized gains/losses on beneficial interest	56,427
Balance at end of year	<u>\$ 1,136,670</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE E – EQUIPMENT, LAND, AND BUILDINGS

Equipment, land, and buildings consist of the following:

	2021	2020
Equipment	\$ 64,000	\$ 64,000
Land	2,928,349	2,928,349
Leasehold	86,802	86,802
Buildings	<u>912,965</u>	<u>912,965</u>
	3,992,116	3,992,116
Accumulated depreciation	<u>(351,202)</u>	<u>(315,412)</u>
	<u>\$ 3,640,914</u>	<u>\$ 3,676,704</u>
Depreciation expense	<u>\$ 35,790</u>	<u>\$ 35,790</u>

NOTE F – RELATED PARTY TRANSACTIONS

A director in a CPA firm who has been engaged to perform quarterly bookkeeping services, also serves as the Foundation's treasurer. Also, a partner at this CPA firm oversees the results of the bookkeeping and investment services provided. During the years ended June 30, 2021 and 2020, the Foundation paid the CPA firm \$33,840 and \$33,840, respectively, for accounting services. No amounts were owed to the CPA firm at June 30, 2021 and 2020.

NOTE G – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2021	2020
Total assets	\$ 26,490,221	\$ 22,562,019
Less:		
Land, buildings, and equipment	(3,640,914)	(3,676,704)
Contributions receivable, greater than one year	(20,000)	(60,000)
Donor restricted endowments	<u>(13,181,704)</u>	<u>(12,370,990)</u>
Financial assets available within one year	<u>\$ 9,647,603</u>	<u>\$ 6,454,325</u>

The Foundation manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a prudent budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Foundation's cash for fiscal years ended June 30, 2021 and 2020.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE H – RESTRICTIONS ON NET ASSETS

Net assets with Board restrictions are available for the following purposes or periods:

	2021	2020
Quasi-endowment fund	\$ 1,683,201	\$ 1,208,625
Allocation of current income	451,900	474,576
	\$ 2,135,101	\$ 1,683,201

Endowment Fund

The Foundation's endowment fund was established to provide scholarships and other forms of support for students of Davidson-Davie Community College. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Foundation in perpetuity, and income from the fund is to be expended for student scholarships, as well as general support of the Foundation. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Foundation follows the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and its own governing documents. UMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UMIFA. The Foundation's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The State of North Carolina enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective March 19, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Board has determined that the majority of the Foundation's donor restricted endowment funds meet the definition of endowment funds under UPMIFA.

The Foundation has a policy of appropriating for distribution annually the endowment fund's investment income from the previous year, and the Foundation generally expends the endowment fund's investment income for Davidson-Davie Community College student scholarships and other forms of support in that year. The Foundation's current policy states endowment spending shall be calculated by taking a Board approved rate, currently 4%, of the previous fiscal year's beginning market value. The income distribution shall be determined annually, based on the Foundation's spending policy and the endowment agreement.

Under UPMIFA, the Foundation is required to practice prudent spending. The Foundation will not distribute income from an endowment fund if its principal market value is less than the historical gift value, unless otherwise directed with written consent from the donor. If there is additional income above the amount required in the annual spending plan, it will be reinvested into the endowment fund as net assets with donor restrictions or into the quasi-endowment. The Foundation Board established a quasi-

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE H – RESTRICTIONS ON NET ASSETS (continued)

endowment in prior years to further establish net assets. The quasi-endowment is currently restricted by the Board. Each year a portion of the current year's investment income is allocated to the quasi-endowment net of a one percent administrative fee. The fund's assets are invested in the same manner as those with donor restrictions.

The Foundation has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide income for student scholarships and other support. Endowment assets are invested in fixed income, equities, alternatives, and real estate. The Foundation seeks to build endowment assets through additional contributions and investment earnings. This is consistent with the Foundation's objectives to provide income for the Davidson-Davie Community College's students, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

Endowment net assets - June 30, 2019	\$ 10,009,347
Contributions	85,346
Investment return, net	250,400
Amounts appropriated for expenditure	(313,058)
Transfers in (out)	63,634
Endowment net assets - June 30, 2020	10,095,669
Contributions	271,141
Investment return, net	2,149,003
Amounts appropriated for expenditure	(309,703)
Transfers in (out)	(2,111,400)
Endowment net assets - June 30, 2021	\$ 10,094,710

NOTE I – NOT-FOR-PROFIT FINANCIAL STATEMENT PRESENTATION

In 2020, the Foundation adopted ASU No. 2016-14 – *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. The standard is intended to improve net asset classification requirements and the information presented in the financial statements and notes about a NFP's liquidity, financial performance, and cash flows.

The standard requires the Foundation to reclassify its net assets from three categories (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories: net assets without donor restrictions and net assets with donor restrictions. In addition, guidance requires enhanced disclosures about governing board designations; composition of net assets with donor restrictions; the Foundation's liquidity; and expenses by both their natural and functional classification.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE J – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash deposits in excess of federally insured limits. At June 30, 2021 and 2020, the Foundation's cash and cash equivalents exceeded federally insured limits by \$1,403,442 and \$573,998, respectively. Of these amounts, \$1,182,011 and \$2,331,995, respectively, were invested in broker/dealer money market accounts.

NOTE K – IN-KIND CONTRIBUTIONS

The fair value of donated services and office space were as follows. These amounts were recorded as contributions without donor restrictions in the Statement of Activities:

	2021	2020
Office expenses	\$ 8,505	\$ 8,559
Telephone	1,600	1,521
	\$ 10,105	\$ 10,080
Allocation:		
Administration	\$ 5,053	\$ 5,040
Fundraising	1,516	1,512
Student Support	3,536	3,528
	\$ 10,105	\$ 10,080

NOTE L – ALLOCATION OF EXPENSES

Expenses by their natural classification for the year ended June 30, 2021:

	PROGRAM	SUPPORT				Total
	Scholarship and Student Support	Foundation Office - Admin	Grant Expenses	Health Science Building	Management & Professional	
Salaries	\$ -	\$ 156,034	\$ -	\$ -	\$ -	\$ 156,034
Office expenses	-	47,953	-	-	-	47,953
Scholarships / awards	677,867	-	-	-	-	677,867
Occupancy / utilities	-	-	-	-	-	-
Grant expenses	-	8,589	41,166	-	-	49,755
Sign	-	-	-	228	-	228
Professional fees	-	-	-	-	38,840	38,840
	\$ 677,867	\$ 212,576	\$ 41,166	\$ 228	\$ 38,840	\$ 970,677

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE L – ALLOCATION OF EXPENSES (continued)

Expenses by their natural classification for the year ended June 30, 2020:

	PROGRAM	SUPPORT				Total
	Scholarship and Student Support	Foundation Office - Admin	Grant Expenses	Health Science Building	Management & Professional	
Salaries	\$ -	\$ 155,267	\$ -	\$ -	\$ -	\$ 155,267
Office expenses	-	79,959	-	-	-	79,959
Scholarships / awards	684,441	-	-	-	-	684,441
Occupancy / utilities	3,528	5,040	-	-	-	8,568
Grant expenses	-	-	71,833	-	-	71,833
Sign	-	-	-	578	-	578
Professional fees	-	-	-	-	45,038	45,038
	\$ 687,969	\$ 240,266	\$ 71,833	\$ 578	\$ 45,038	\$ 1,045,684

NOTE M – GLOBAL HEALTH EMERGENCY

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the impact on the Foundation's operations. However, Management is unable to estimate the effects of the COVID-19 outbreak on the Foundation and it may have a material effect on future results of operations, financial condition or liquidity.

NOTE N – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 3, 2021, which is the date the financials were available to be issued.