



BOARD OF DIRECTORS MEETING

SEPTEMBER 24, 2025, 8:30 A.M.

MENDENHALL BUILDING, ROOM 226, DAVIDSON CAMPUS, OR ZOOM/PHONE

*Please click on this link for a video conference

<https://davidsondavie-edu.zoom.us/j/92491286937>

Meeting ID: 924 9128 6937

877-853-5257 US Toll-free

AGENDA

Rebecca Sullivan, Board Chair, Presiding

- I. Welcome & Call to Order
- II. Approval of Minutes of May 21, 2025 Meeting
- III. Financial Report – Jeremy Hiatt
 - a. Action Item – Audited Financial Statements
 - b. Investment Update
- IV. Updates from the College
 - a. Cameron Shirley, Associate VP, Davie Campuses & Strategic Initiatives, and Dori Lloyd, Associate VP, Teaching, Learning & Global Engagement
 - b. Jenny Varner, President
- V. Foundation Updates – Kristin Briggs
 - a. Executive Committee & Spending Plan
 - b. Annual Report & Holiday Fundraising
 - c. Nominating for 2026
 - d. Board Meeting Materials – DavidsonDavieFoundation.org/foundation-board-meeting-materials
- VI. Closing

Next Meetings

Exec: Wednesday, October 22, 12:00 p.m. (Davidson Campus or Zoom/phone)

Davidson-Davie Community College Foundation
Board of Directors Meeting
May 21, 2025
Minutes

A meeting of the Davidson-Davie Community College Foundation Board of Directors was held on Wednesday, May 21, 2025, at 4:00 p.m. on the Davie Campus, in person and via Zoom.

Members attending were Atalia Cardenas, Melanie Crowder, Kevin Firquin, Elizabeth Gee, Jeremy Hiatt, Jeff McIntyre, Carolyn McManamy, Karl Milliren, Jed Orman, Phyllis Penry, Cathi Smith, William Steed, Parker Tilley, Jenny Varner, and Dustin VanWeerdhuizen. Present for the Foundation were Kristin Briggs and Kristi Louya.

Vice President Jeff McIntyre called the meeting to order and asked members to review the February 26, 2025, meeting minutes. The minutes were approved with no changes.

Treasurer Jeremy Hiatt presented financial highlights through April 30, 2025, noting total current assets of \$26.2 million and combined assets of \$35.1 million. Jeremy also presented the Statement of Revenues and Expenses, noting year-to-date revenues of \$6.6 million, with total expenses of \$829,890, resulting in a total net surplus of approximately \$5.8 million through the end of April 2025.

Jeremy reviewed the Foundation's investments, noting a total investment portfolio value through June 2024 of \$24.7 million and the total through April 2025 of approximately \$25.5 million. The financial report was approved with no changes.

College President Jenny Varner shared several updates, announcing that 1,320 students graduated during the commencement ceremony on May 15. She reported a 5.5% increase in enrollment for spring 2025 compared to spring 2024, with summer and fall enrollment also showing positive growth trends. Additionally, Jenny updated the board on the launch of a new radiography program this fall, which was developed in response to a need identified by the healthcare industry. She noted that enrollment in the program has already reached full capacity.

Jenny provided an update on the plans for the new Emergency Response and Davie Health Sciences buildings, stating that both projects are currently in the design phase. She also mentioned that development possibilities for the Link Campus can be considered after the roadwork is completed.

Foundation Executive Director Kristin Briggs presented updates from the March and May Executive Committee meetings, noting the committee's approval of the continuation of the 2024-2025 Spending Plan for the 2025-2026 school year, approval of endowed scholarship spending at a rate of 4%, renewal of property lease agreements for the Davie Education Center and Uptown Lexington Education Center, and the renewal of a contract for Eddie Carrick's auditing service.

Kristin reported that the Executive Committee formally reaffirmed the Foundation's commitment to providing financial support for future capital projects at the college. This commitment is expected to strengthen the college's ability to pursue and secure additional grant funding.

Discussion also occurred around the uses of the Davie Education Center and the Uptown Lexington Education Center.

Kristin noted that the 33rd Annual Foundation Golf Tournament, held on Thursday, May 1, at Colonial Country Club, was a successful event that fostered fellowship among more than 200 sponsors, community members, and college employees.

There being no further business, the meeting was adjourned.

*DAVIDSON-DAVIE COMMUNITY COLLEGE
FOUNDATION, INC.*

Lexington, North Carolina

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

June 30, 2025 and 2024

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

Opinion

I have audited the accompanying financial statements of Davidson-Davie Community College Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of changes in net assets, activities, and cash flows for the years then ended, and the related notes to the financial statements.

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, 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Davidson-Davie Community College Foundation, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Davidson-Davie Community College Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I:

- 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 Davidson-Davie Community College Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Davidson-Davie Community College Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

A handwritten signature in black ink, appearing to read "Eddie Carrick". The signature is fluid and cursive, with the first name "Eddie" and last name "Carrick" clearly distinguishable.

Eddie Carrick CPA, PC
Lexington, North Carolina
September 1, 2025

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 1,795,114	\$ 2,357,675
Contributions and other receivables	84,000	133,000
Investments in securities	26,253,652	23,333,916
Equipment, land, and buildings	8,882,262	3,490,794
TOTAL ASSETS	<u>\$ 37,015,028</u>	<u>\$ 29,315,385</u>
LIABILITIES		
Accounts payable	\$ 825	\$ 600
TOTAL LIABILITIES	<u>825</u>	<u>600</u>
NET ASSETS		
Net assets without donor restrictions	19,105,778	13,682,589
Net assets with donor restrictions	17,908,425	15,632,196
TOTAL NET ASSETS	<u>37,014,203</u>	<u>29,314,785</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 37,015,028</u>	<u>\$ 29,315,385</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended June 30, 2025
and 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
BALANCE AT JUNE 30, 2023	\$ 11,274,949	\$ 14,608,091	\$ 25,883,040
Increase (decrease) in net assets	1,749,875	1,681,870	3,431,745
Transfers	<u>657,765</u>	<u>(657,765)</u>	<u>-</u>
BALANCE AT JUNE 30, 2024	13,682,589	15,632,196	29,314,785
Increase (decrease) in net assets	4,322,843	3,376,575	7,699,418
Transfers	<u>1,100,346</u>	<u>(1,100,346)</u>	<u>-</u>
BALANCE AT JUNE 30, 2025	<u>\$ 19,105,778</u>	<u>\$ 17,908,425</u>	<u>\$ 37,014,203</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 56,881	\$ 488,750	\$ 545,631	\$ 139,780	\$ 755,634	\$ 895,414
Grant revenue	-	68,000	68,000	-	-	-
Investment income, net of investment advisory fees of \$27,997 in 2025 and \$25,436 in 2024	392,880	313,438	706,318	369,908	350,182	720,090
Realized gains (losses) in investments	185,465	147,962	333,427	48,357	45,779	94,136
Net unrealized gains (losses) on investments	1,053,684	840,625	1,894,309	1,446,455	1,369,317	2,815,772
Real Estate valuation changes	2,899,040	2,312,841	5,211,881			
Fundraising income, net of fundraising expenses of \$32,851 in 2024 and \$27,322 in 2023	4,119	3,286	7,405	6,152	5,824	11,976
Health Sciences Building contributions	-	300	300	-	800	800
Miscellaneous income	930	742	1,672	1,470	1,392	2,862
Net assets released from restrictions:						
Restrictions satisfied by payment of scholarships	722,029	(722,029)	-	833,854	(833,854)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	5,315,028	3,453,915	8,768,943	2,845,976	1,695,074	4,541,050
EXPENSES						
Program services:						
Donation of land	-	-	-	-	-	-
Scholarships and student support	722,029	-	722,029	833,854	-	833,854
Total program services	722,029	-	722,029	833,854	-	833,854
Support services:						
Foundation office - administrative	218,684	-	218,684	218,311	-	218,311
Grant expense	-	77,340	77,340	-	13,204	13,204
Management and professional fees	51,472	-	51,472	43,936	-	43,936
Total support services	270,156	77,340	347,496	262,247	13,204	275,451
TOTAL EXPENSES	992,185	77,340	1,069,525	1,096,101	13,204	1,109,305
INCREASE (DECREASE) IN NET ASSETS	\$ 4,322,843	\$ 3,376,575	\$ 7,699,418	\$ 1,749,875	\$ 1,681,870	\$ 3,431,745

See accompanying notes and independent auditor's report.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 7,699,418	\$ 3,431,745
Adjustments to reconcile increase (decrease) in net assets to cash provided (used) by operating activities:		
Depreciation	(238,549)	44,193
Contributions restricted for long-term purposes	(167,318)	(236,894)
Net realized and unrealized (gains) losses on investments	(1,894,309)	(2,815,772)
Real Estate valuation changes	(5,211,881)	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	-	2,690
(Increase) decrease in contributions receivable	49,000	(2,000)
Increase (decrease) in accounts payable	225	(72,658)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>236,586</u>	<u>351,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments (net)	(802,245)	(616,925)
Purchase of fixed assets	(164,220)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(966,465)</u>	<u>(616,925)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes	167,318	236,894
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>167,318</u>	<u>236,894</u>
NET INCREASE (DECREASE) IN CASH	(562,561)	(28,727)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,357,675</u>	<u>2,386,402</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 1,795,114</u></u>	<u><u>\$ 2,357,675</u></u>

SUPPLEMENTAL DISCLOSURES

Noncash investing transactions - none.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

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, 2025 and 2024

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, 2025. 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, 2022 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, 2025 and 2024

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.

	2025	2024
One year or less	\$ 36,000	\$ 51,000
Over one year to five years	48,000	82,000
	<u>\$ 84,000</u>	<u>\$ 133,000</u>

NOTE C – INVESTMENT IN SECURITIES

The Foundation uses several investment companies to manage its investments. At June 30, 2025 and 2024, the following investments were held by the Foundation:

	2025		
		Net	
	Cost	Unrealized Gains (Losses)	Fair Value
Fixed income	\$ 5,081,174	\$ (135,387)	\$ 4,945,787
Equities	10,979,462	9,207,273	20,186,735
Real Estate	928,914	192,216	1,121,130
	<u>\$ 16,989,550</u>	<u>\$ 9,264,102</u>	<u>\$ 26,253,652</u>

	2024		
		Net	
	Cost	Unrealized Gains (Losses)	Fair Value
Fixed income	\$ 4,785,185	\$ (122,938)	\$ 4,662,247
Equities	10,077,344	7,324,485	17,401,829
Real Estate	901,014	368,826	1,269,840
	<u>\$ 15,763,543</u>	<u>\$ 7,570,373</u>	<u>\$ 23,333,916</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE D – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

		Quoted prices in active markets for identical assets (Level 1)	Significant unobservable inputs (Level 2)
<u>June 30, 2025</u>	<u>Fair Value</u>		
Fixed Income	\$ 4,945,787	\$ 4,945,787	\$ -
Equities	20,186,735	20,186,735	-
Real Estate	1,121,130	-	1,121,130
	<u>\$ 26,253,652</u>	<u>\$ 25,132,522</u>	<u>\$ 1,121,130</u>
 <u>June 30, 2024</u>			
Fixed Income	\$ 4,662,247	\$ 4,662,247	\$ -
Equities	17,401,829	17,401,829	-
Real Estate	1,269,840	-	1,269,840
	<u>\$ 23,333,916</u>	<u>\$ 22,064,076</u>	<u>\$ 1,269,840</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.

	Level 2 assets year ended June 30, 2024
Balance at beginning of year	\$ 1,269,840
Additional investments	145,000
Distribution received	(293,710)
Unrealized gains/losses on beneficial interest	-
Balance at end of year	<u>\$ 1,121,130</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE E – EQUIPMENT, LAND, AND BUILDINGS

Equipment, land, and buildings consist of the following:

	2025	2024
Equipment	\$ 193,900	\$ 193,900
Land	7,663,858	2,776,353
Leasehold	146,578	86,802
Buildings	1,118,603	912,965
	9,122,939	3,970,020
Accumulated depreciation	(240,677)	(479,226)
	<u>\$ 8,882,262</u>	<u>\$ 3,490,794</u>
Depreciation expense	<u>\$ 44,409</u>	<u>\$ 44,193</u>

NOTE F – RELATED PARTY TRANSACTIONS

A partner in a CPA firm who has been engaged to perform quarterly bookkeeping services, also serves as the Foundation's treasurer. During the years ended June 30, 2025 and 2024, the Foundation paid the CPA firm \$43,972 and \$38,936, respectively, for accounting services. No amounts were owed to the CPA firm at June 30, 2025 and 2024.

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.

	2025	2024
Total assets	\$ 37,015,028	\$ 29,315,385
Less:		
Land, buildings, and equipment	(8,882,262)	(3,490,794)
Contributions receivable, greater than one year	(48,000)	(82,000)
Donor restricted endowments	(12,622,977)	(10,915,910)
Financial assets available within one year	<u>\$ 15,461,789</u>	<u>\$ 14,826,681</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, 2025 and 2024.

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE H – RESTRICTIONS ON NET ASSETS

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

	2025	2024
Quasi-endowment fund	\$ 3,214,901	\$ 2,729,351
Allocation of current income	376,118	485,550
	<u>\$ 3,591,019</u>	<u>\$ 3,214,901</u>

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, 2025 and 2024

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, 2023	\$ 10,685,674
Contributions	236,894
Investment return, net	1,771,217
Amounts appropriated for expenditure	(467,170)
Transfers in (out)	<u>(1,310,705)</u>
Endowment net assets - June 30, 2024	10,915,910
Contributions	167,318
Investment return, net	1,518,528
Amounts appropriated for expenditure	(420,747)
Transfers in (out)	<u>441,968</u>
Endowment net assets - June 30, 2025	<u><u>\$ 12,622,977</u></u>

NOTE I – NOT-FOR-PROFIT FINANCIAL STATEMENT PRESENTATION

In 2022, 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, 2025 and 2024

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, 2025 and 2024, the Foundation's cash and cash equivalents exceeded federally insured limits by \$1,144,709 and \$999,997, respectively. Of these amounts, \$355,488 and \$777,479, 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:

	2025	2024
Office expenses	\$ 16,006	\$ 8,954
Telephone	1,601	1,601
	<u>\$ 17,607</u>	<u>\$ 10,555</u>
Allocation:		
Administration	\$ 8,804	\$ 5,278
Fundraising	2,641	1,583
Student Support	6,162	3,694
	<u>\$ 17,607</u>	<u>\$ 10,555</u>

NOTE L – ALLOCATION OF EXPENSES

Expenses by their natural classification for the year ended June 30, 2025:

	PROGRAM	SUPPORT			
	Scholarship and Student Support	Foundation Office - Admin	Grant Expenses	Management & Professional	Total
Salaries	\$ -	\$ 139,599	\$ -	\$ -	\$ 139,599
Office expenses	-	63,080	-	-	63,080
Scholarships / awards	722,029	-	-	-	722,029
Occupancy / utilities	-	16,005	-	-	16,005
Grant expenses	-	-	77,340	-	77,340
Sign	-	-	-	-	-
Professional fees	-	-	-	51,472	51,472
	<u>\$ 722,029</u>	<u>\$ 218,684</u>	<u>\$ 77,340</u>	<u>\$ 51,472</u>	<u>\$ 1,069,525</u>

DAVIDSON-DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE L – ALLOCATION OF EXPENSES (continued)

Expenses by their natural classification for the year ended June 30, 2024:

	PROGRAM	SUPPORT			
	Scholarship and Student Support	Foundation Office - Admin	Grant Expenses	Management & Professional	Total
Salaries	\$ -	\$ 148,925	\$ -	\$ -	\$ 148,925
Office expenses	-	60,432	-	-	60,432
Scholarships / awards	833,854	-	-	-	833,854
Occupancy / utilities	-	8,954	-	-	8,954
Grant expenses	-	-	13,204	-	13,204
Sign	-	-	-	-	-
Professional fees	-	-	-	43,936	43,936
	<u>\$ 833,854</u>	<u>\$ 218,311</u>	<u>\$ 13,204</u>	<u>\$ 43,936</u>	<u>\$ 1,109,305</u>

NOTE M – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 1, 2025, which is the date the financials were available to be issued.

**DAVIDSON - DAVIE COMMUNITY COLLEGE FOUNDATION, INC.
INVESTMENT ANALYSIS**

WELLS FARGO

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			6,356,842			
07/31/25	-	-	6,415,310	0.92%	11.04%	22.79%
08/31/25	-	-	6,531,598	2.73%	16.38%	22.75%

FIDELITY INDEX FUNDS

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			10,587,740			
07/31/25	-	-	10,797,444	1.98%	23.76%	38.37%
08/31/25	-	-	11,076,770	4.57%	27.42%	38.59%

FIDELITY MONEY MARKET AND CD's

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			355,489			
07/31/25	-	-	356,685	0.34%	4.08%	1.27%
08/31/25	-	-	357,886	0.67%	4.02%	1.25%

FIDELITY BONDS

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			1,577,515			
07/31/25	-	-	1,577,362	-0.10%	-0.12%	5.60%
08/31/25	-	-	1,594,568	1.08%	6.48%	5.55%

FNB

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			6,610,424			
07/31/25	101	(2,467)	6,690,798	1.21%	14.52%	23.77%
08/31/25	-	(2,471)	6,839,054	3.43%	20.58%	23.82%

SECURITIES, BONDS, AND CASH EQUIVALENTS TOTAL

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			25,488,010			
07/31/25	101	(2,467)	25,837,599	1.37%	16.44%	91.81%
08/31/25	-	(2,471)	26,399,876	3.55%	21.30%	91.97%

FRONT STREET PROPERTIES - FUND I

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			559,130			
07/31/25	-	-	559,130			1.99%
08/31/25	-	-	559,130			1.95%

FRONT STREET PROPERTIES - FUND II

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			407,000			
07/31/25	-	-	407,000			1.45%
08/31/25	-	-	407,000			1.42%

FRONT STREET PROPERTIES - FUND III

Date	Investments (Withdrawals)	Fees	Value	IRR Actual	IRR Annualized	Portfolio
06/30/25			155,000			
07/31/25	-	-	155,000			0.55%
08/31/25	-	-	155,000			0.54%

INVESTMENT REAL ESTATE

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			1,185,225			
07/31/25	(5,100)	-	1,185,225			4.21%
08/31/25	(5,100)	-	1,185,225			4.13%

REAL ESTATE TOTAL

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			2,306,355			
07/31/25	(5,100)	-	2,306,355			8.19%
08/31/25	(5,100)	-	2,306,355			8.03%

GRAND TOTALS

Date	Investments (Withdrawals)	Fees	Fair Market Value	IRR Actual	IRR Annualized	% Of Portfolio
06/30/25			27,794,365			
07/31/25	(4,999)	(2,467)	28,143,954			100.00%
08/31/25	(5,100)	(2,471)	28,706,231			100.00%

DRAFT 2026-2030 Strategic Plan

Overall Key Performance Indicator

- By 2030, increase overall completion rates for students in curriculum programs.

Access & Momentum

Priority 1: Increase enrollment of adult learners, online students, and local high school graduates to expand impact in the community

Key Performance Indicator

- By 2030, increase overall enrollment in curriculum and continuing education programs

Strategic Objectives

1. Design plan to scale instructional and student services capacity in alignment with strategic enrollment targets
2. Identify and execute enrollment management and marketing strategies to increase enrollment in targeted groups
3. Expand short-term training opportunities that align to local and regional business needs

Priority 2: Improve access to pathways that lead to strong workforce and transfer outcomes

Key Performance Indicators

- By 2030, increase the number of CCR students who transition into continuing education and curriculum programs
- By 2030, increase number of new student enrollment in career and technical education (CTE) programs leading to credentials with high- and medium-wage values
- By 2030, increase credit momentum for students in transfer pathways

Strategic Objectives

1. Review and revise academic pathways to build intentional on-ramps between continuing education and curriculum, and, when relevant, stackable credentials
2. Improve credit for prior learning policy, procedures, and utilization
3. Align the student onboarding experience for program entry and career preparation
4. Create new transfer partnerships and pathways aligned to student goals

Learning & Completion

Priority 3: Embed intentional and well-designed interventions in student journey that support timely progress

Key Performance Indicator

- By 2030, increase progression towards program completion for curriculum students

Strategic Objectives

1. Launch innovative student retention strategies to engage and meet the needs of diverse students
2. Maximize use of early alert system for strategic and coordinated intervention
3. Develop an institution-wide culture of care to prioritize a student sense of belonging
4. Reduce barriers to learning and persistence through a comprehensive evaluation of institutional structures

Priority 4: Develop engaging, inclusive, and relevant learning experiences for students across all courses and programs

Key Performance Indicator

- By 2030, increase course success rates for students in target groups (to be identified)
- By 2030, increase the passing rate in continuing education courses that lead to workforce credentials

Strategic Objectives

1. Improve student learning and success through evidence-based instructional strategies
2. Build key connections between faculty, staff, and employers that support students' career knowledge prior to entering the workforce

Employment & Transfer

Priority 5: Increase graduate employment rates in careers aligned to students' program of study

Key Performance Indicator

- By 2030, increase graduate employment rates within field of study

Strategic Objectives

1. Create institution-wide process for collecting student employment data
2. Increase student participation in apprenticeships, work-based learning, or career-integrated experiences across all academic programs
3. Strengthen advisory boards and employer relationships across Davidson and Davie counties

Priority 6: Increase transfer success and bachelor's degree attainment for transfer students

Key Performance Indicator

- By 2030, increase percentage of Davidson-Davie transfer students who transfer to a 4-year institution with a completed associate's degree
- By 2030, increase percentage of Davidson-Davie transfer students who complete bachelor's degree within 4 years of transferring

Strategic Objectives

1. Improve intentional transfer mapping early in a student's journey that is tied both to bachelor's degree attainment and career planning
2. Expand collaboration with four-year institutions to streamline student transfer pathways
3. Strengthen sense of community for students within transfer pathways

Improvement & Investment

Priority 7: Integrate continuous improvement framework within Davidson-Davie's vision for student success

Key Performance Indicator

- By 2030, departments document and implement a cycle of continuous improvement aligned with institutional goals

Strategic Objectives

1. Implement an evidence-based framework for student success across the college
2. Improve program review and college-wide assessment processes
3. Expand data-informed practices for all faculty and staff
4. Strengthen cross-departmental partnerships and communication to support students

Priority 8: Invest in employees to improve faculty and staff retention and growth

Key Performance Indicator

- Maintain faculty and staff retention rate through 2030.
- By 2030, increase satisfaction within work environment

Strategic Objectives

1. Offer ongoing competitive compensation and flexible work opportunities
2. Launch comprehensive employee professional development and wellness initiatives
3. Implement updated protocols and training for employee safety and security
4. Evaluate organizational structures and build succession plan for long-term sustainability and success

Priority 9: Prioritize Davidson-Davie's long-term success through efficient and strategic use of resources

Strategic Objectives

1. Create process to align resources to strategic objectives and growth opportunities
2. Implement governance and management processes for all technology platforms and systems
3. Execute expansion projects, with funding partners, aligned to regional workforce needs

Davidson-Davie Community College Foundation

Spending Plan Overview 2025-2026

Approved, August 20, 2025

Endowed Funds (spending at 4% level)	
Student Support <i>this is primarily scholarships</i>	\$348,000.00
Programs/Services Enrichment	\$28,500.00
Subtotal	\$376,500.00
Unendowed Funds	
Student Support <i>this is primarily scholarships *</i>	\$100,000.00
Programs/Services Enrichment*	\$170,000.00
Athletic Operations	\$145,000.00
Davidson-Davie Advantage	\$75,000.00
Planning for Davidson Promise Program	\$59,500.00
Property Development	\$50,000.00
College Relations	\$30,000.00
Subtotal	\$629,500.00
Foundation Operating Expenses - General	
<i>Fundraising expenses, publications, financial & audit services, insurance, percentage of salaries & benefits, etc.</i>	\$295,000.00
Spending Plan Total - CASH	\$1,301,000.00
Foundation Operating Expenses - Office Space & Related	
<i>To be received in-kind from College</i>	\$15,000.00
Spending Plan Grand Total:	\$1,316,000.00

**May go higher upon the receipt and subsequent expenditure of unplanned gifts, such as new scholarships and athletic sponsorships*