



AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2019
With Independent Auditors' Report

Midlands Technical College Foundation, Inc.

Audited Financial Statements And Other Financial Information

Year Ended June 30, 2019

with

Independent Auditors' Report

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Audited Financial Statements And Other Financial Information

Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Midlands Technical College Foundation, Inc.
7300 College Street
Irmo, South Carolina 29063

We have audited the accompanying financial statements of Midlands Technical College Foundation, Inc. (the "Foundation"), a not-for-profit component unit of Midlands Technical College, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Midlands Technical College Foundation, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the 2018 financial statements of the Foundation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Financial Information:

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Net Assets With Donor Restrictions and Without Donor Restrictions – Designated Funds on pages 18-22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "The Brittingham Group LLP". The signature is written in a cursive, flowing style. It is contained within a thin black rectangular border.

West Columbia, South Carolina
September 10, 2019

AUDITED FINANCIAL STATEMENTS

Midlands Technical College Foundation, Inc.

Statement of Financial Position

June 30, 2019

(With comparative amounts for June 30, 2018)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Assets		
Cash and cash equivalents	\$ 566,679	\$ 474,676
Contributions receivable, net	486,958	1,333,553
Other receivable	31,470	31,101
Investments	11,462,447	9,997,113
Total assets	<u>\$ 12,547,554</u>	<u>\$ 11,836,443</u>
Liabilities and Net Assets		
Accounts payable	\$ 110,087	\$ 80,696
Total liabilities	<u>110,087</u>	<u>80,696</u>
Net assets:		
Without donor restrictions	1,683,003	1,566,794
With donor restrictions	10,754,464	10,188,953
Total net assets	<u>12,437,467</u>	<u>11,755,747</u>
Total liabilities and net assets	<u>\$ 12,547,554</u>	<u>\$ 11,836,443</u>

See accompanying notes.

Midlands Technical College Foundation, Inc.

Statement of Activities

For Fiscal Year Ended June 30, 2019

(With comparative totals for June 30, 2018)

	Without donor restrictions	With donor restrictions	Total 2019	Total 2018
Revenues, gains, and other support:				
Contributions, net	\$ 168,320	\$ 513,620	\$ 681,940	\$ 961,964
Grant revenue	-	59,996	59,996	53,000
Income on long-term investments	113,996	124,967	238,963	200,706
Other investment income	2,422	-	2,422	1,034
Net unrealized and realized gains on long-term investments	287,221	369,459	656,680	317,420
Net assets released from restrictions	502,531	(502,531)	-	-
Total revenues, gains, and other support	<u>1,074,490</u>	<u>565,511</u>	<u>1,640,001</u>	<u>1,534,124</u>
Expenses:				
College support	457,489	-	457,489	599,803
Student support	331,932	-	331,932	303,807
Management and general	131,182	-	131,182	111,892
Fund raising support	37,678	-	37,678	143,103
Total expenses	<u>958,281</u>	<u>-</u>	<u>958,281</u>	<u>1,158,605</u>
Change in net assets	116,209	565,511	681,720	375,519
Net assets at beginning of year	1,566,794	10,188,953	11,755,747	11,380,228
Net assets at end of year	<u>\$ 1,683,003</u>	<u>\$ 10,754,464</u>	<u>\$ 12,437,467</u>	<u>\$ 11,755,747</u>

See accompanying notes.

Midlands Technical College Foundation, Inc.

Statement of Functional Expenses

For Fiscal Year Ended June 30, 2019
(With comparative totals for June 30, 2018)

Account Description	Program Services					June 2018
	College Support	Student Support	Management and General	Fundraising Support	June 2019	
Administrative services	-	-	3,000	-	-	\$ 3,000
Alumni relations	6,822	-	-	-	6,822	11,088
Curriculum development	22,832	-	-	-	22,832	20,624
Dues and membership fees	-	-	7,668	-	7,668	6,969
Emergency support	-	6,314	-	-	6,314	11,486
Employee grants and scholarships	15,804	-	-	-	15,804	58,615
Foundation board meetings	-	-	5,166	-	5,166	7,676
In-kind gifts	51,379	-	-	-	51,379	236,552
Investment management	-	-	66,957	-	66,957	62,141
Legislative services	40,208	-	-	-	40,208	40,416
Liability insurance	-	-	2,138	-	2,138	2,138
Office and other supplies	17,385	-	10,712	196	28,293	29,997
Other	-	-	15,329	-	15,329	5,559
Other contractual services	39,378	-	18,274	35,494	93,146	146,877
Personnel services	139,227	-	-	-	139,227	128,985
Professional development	94,383	-	-	-	94,383	68,420
Promotional	22,500	-	-	1,988	24,488	12,068
Scholarships and grants	-	325,618	-	-	325,618	292,321
Service Excellence Awards	4,000	-	-	-	4,000	3,500
Social activities	3,571	-	-	-	3,571	4,248
Travel/training	-	-	1,938	-	1,938	5,925
Total functional expenses	\$ 457,489	\$ 331,932	\$ 131,182	\$ 37,678	\$ 958,281	\$ 1,158,605

See accompanying notes.

Midlands Technical College Foundation, Inc.

Statement of Cash Flows

For Fiscal Year Ended June 30, 2019

(With comparative totals for June 30, 2018)

	June 30,	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 681,720	\$ 375,519
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net (gains) losses on investments	(656,680)	(317,420)
Contributions restricted in perpetuity	(95,841)	(119,904)
Changes in operating assets and liabilities:		
Other receivable	369	12,638
Contributions receivable	846,595	709,827
Accounts payable	29,391	46,292
Net cash from operating activities	<u>805,554</u>	<u>706,952</u>
Cash flows from investing activities:		
Proceeds from sale and maturity of investments	3,778,830	3,297,106
Purchase of investments	(4,588,222)	(4,192,355)
Net cash from investing activities	<u>(809,392)</u>	<u>(895,249)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Investment in endowment	95,841	119,904
Net cash from financing activities	<u>95,841</u>	<u>119,904</u>
Net increase (decrease) in cash and cash equivalents	92,003	(68,393)
Cash and cash equivalents at beginning of year	474,676	543,069
Cash and cash equivalents at end of year	<u>\$ 566,679</u>	<u>\$ 474,676</u>
Supplemental disclosure of non-cash operating activities:		
In-kind contributions	<u>\$ 51,379</u>	<u>\$ 236,552</u>

See accompanying notes.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. **General**

Midlands Technical College Foundation, Inc. (the "Foundation") is a nonprofit organization that was formed August 12, 1970, to benefit and support education at Midlands Technical College (the "College").

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College.

2. **Summary of Significant Accounting Policies**

Basis of Presentation

The financial statement presentation by the Foundation is in accordance with the accounting principles generally accepted in the United States of America for not-for-profit organizations as issued by the Financial Accounting Standards Board (FASB) through its Accounting Standards Codification (ASC). The guidance from FASB requires organizations like the Foundation to report information regarding its financial position and activities according to two classes of net assets as follows:

Without donor restrictions - net assets that are not subject to or are no longer subject to donor-imposed stipulations.

With donor restrictions:

Restricted by purpose or time - net assets that are subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Restricted in perpetuity - net assets that are subject to donor-imposed stipulations that require them to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. **Summary of Significant Accounting Policies (Continued)**

Investments - Investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair values in the statement of financial position. Investment in real estate is reported at the lower of cost or market. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. Securities or other investments donated are recorded at their market value at the date of the gift.

Investment Objectives

The Foundation's investment objectives are to achieve adequate growth in financial assets and income to meet its spending policy without exposure to undue risk:

- A. Estimating anticipated financial needs of the Foundation;
- B. Articulate the Finance Committee members' views of the Foundation's investment objectives and tolerance for risk;
- C. Formulate policies to assist the Finance Committee with, first, developing a suitable asset allocation; second, selecting appropriate investment managers within the framework of that asset allocation; and third, prudently monitoring and evaluating the performance of such managers;
- D. Documenting and communicating standards and expectations as identified by the Finance Committee to the investment manager;
- E. Investment Allocation: the Foundation uses the following guidelines for asset allocations:

<u>Asset Allocation Guidelines</u>	<u>Minimum %</u>	<u>Maximum %</u>
Cash and Cash Equivalents	1%	10%
Fixed Income	30%	50%
Equities and Mutual Funds	50%	70%

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Summary of Significant Accounting Policies (Continued)

Endowments - In receiving gifts qualifying for the Foundation's definition of endowment funds, the Board of Trustees of Midlands Technical College Foundation interprets the South Carolina Uniform Prudent Management of Institutional Funds Acts ("SCUPMIFA" or "state law") as requiring the Foundation to preserve the original fair value amount donated, in the absence of donor spending or preservation intentions. As a result of this interpretation, the Foundation classifies as net assets restricted in perpetuity the value of the original and subsequent donor gifts qualifying as endowments.

If the gift instruments requires all or a portion of the endowment related earnings accumulations to be preserved rather than spent, they are classified as permanently restricted. Earnings accumulations without such donor-imposed restrictions are classified as net assets restricted by purpose or time until appropriated for expenditure.

The Foundation, in accordance with SCUPMIFA, considers the following factors in deciding whether to accumulate or spend donor endowment funds earnings accumulations:

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

The Foundation's spending policy is divided into the following areas:

1. **Annual Operating Funds:** The Foundation adopts an annual operating budget in accordance with policy. The operating budget will generally include expenditures that support the Foundation and college activities. Also included in the annual operating budget are revenue sources such as investment income, donations and specialized fund-raising activities. Additionally, should the Foundation decide to expend investment appreciation or investment corpus, it will be included in the budget.
2. **Annual Designated Funds:** Annual designated funds have expenditures that are generally restricted, such as scholarships. These expenditures are included in the annual budget and are identified as restricted funds.
3. **Annual Undesignated Funds:** Undesignated funds are those unplanned donations acquired by the Foundation.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. **Summary of Significant Accounting Policies (Continued)**

Revenue, Gains and Other Support and Expenses and Losses - Revenues are reported as increases in the net assets classification without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restriction support. Increases in the allowance for uncollectible pledges are netted against contribution income.

Expenses are reported as decreases in the without donor restrictions net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulation or by law.

Donated Services, Goods, and Facilities - A substantial number of volunteers have donated an undetermined number of hours to the Foundation's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills.

During the year ended June 30, 2019, the Foundation received in-kind contributions valued at approximately \$51,379. Substantially, all contributions of equipment to the Foundation become property of the College upon receipt of the property from the donor. Accordingly, the Foundation records the contributions at their fair value with an offset to college support in these financial statements.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash held in checking and money market accounts with maturities of less than 90 days. Management believes the Foundation is not exposed to any significant credit risk on cash or cash equivalents.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Summary of Significant Accounting Policies (Continued)

Concentrations of Credit and Market Risk - Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Foundation has not experienced any losses on its cash equivalents. Management believes that the Foundation's investment portfolio is adequately diversified among issuers. In addition, management believes that the Foundation has the ability to hold its investment portfolio during periods of temporary market declines.

Income Taxes - Midlands Technical College Foundation, Inc. has received a determination letter from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). However, it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending June 30, 2019, 2018, 2017, and 2016 are still open to audit for both federal and state purposes. The Foundation is not classified as a private foundation.

Prior-year Comparative Totals - The financial statements include certain prior-year summarized comparative information to facilitate financial analysis. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

New accounting pronouncement - During the year ended June 30, 2019, the Foundation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets and unrestricted board designated net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 9).

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

3. Investments

The following summarizes the cost and fair values of investments at June 30, 2019:

	Cost	Fair Value
Marketable Securities		
Invested - Money Market Funds	\$ 761,872	\$ 761,872
Fixed Income	3,625,789	3,699,143
Equities	4,130,711	4,899,105
Mutual Funds	1,976,962	2,097,327
Total Marketable Securities	10,495,334	11,457,447
Real Estate	5,000	5,000
Total Investments	\$ 10,500,334	\$ 11,462,447

4. Fair Value

Information about the fair value of financial instruments for which it is practical to estimate that value, whether or not recognized in the Statement of Financial Position, is required to be disclosed. Fair value is determined using various methods and assumptions.

The following methods and assumptions were used to estimate the fair value for the classification within the financial statements:

- *Investments in marketable securities* – fair value is approximated by the balance reported by the custodian based on market values of the investment assets.
- *Contributions receivable* - The fair value of promises to give that are due in one year or more is estimated by discounting the estimated future cash flows using an estimate of the Foundation’s earnings rate.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Fair Value (Continued)

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

The estimated fair values of the Foundation's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	<u>Level</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Investments in Marketable Securities	1	\$ 11,457,447	\$ 11,457,447
Contributions Receivable	3	\$ 486,958	\$ 486,958

The Foundation recognized a decrease in the amount of \$846,595 in level 3 due to the decrease in contributions receivable during the year.

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Foundation.

The Foundation recognized \$421,213 in unrealized gains resulting from changes in fair value during the period.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Contributions Receivable

Unconditional promises to give as of June 30, 2019 are due as follows:

Within one year	\$ 379,192
One to five years	<u>157,362</u>
Total	536,554
Allowance for uncollectible pledges	(14,004)
Present value discount	<u>(35,592)</u>
Contributions receivable, net	<u>\$ 486,958</u>

The discount to net present value was calculated using the estimated earnings rate of 5.17% as of June 30, 2019.

6. Restrictions/Limitations on Net Assets

The Foundation's Board of Directors has chosen to place the following limitations on net assets without donor restrictions:

Designated for scholarships	\$ 182,330
Designated for programs	216,031
Designated for equipment, other programs or general use	<u>318,342</u>
Total designated net assets	716,703
Undesignated	<u>966,300</u>
Total net assets without donor restrictions	<u>\$ 1,683,003</u>

Donor restricted net assets by purpose or time are available for the following purposes:

Endowment scholarships	\$ 223,501
Endowment programs	109,076
Endowment equipment and other programs	43,488
General scholarships	1,058,724
General programs	481,862
General equipment and other programs	<u>419,144</u>
Donor restricted net assets by purpose or time	<u>\$ 2,335,795</u>

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Restrictions/Limitations on Net Assets (Continued)

Donor restricted net assets in perpetuity consist of the following:

Permanently restricted endowment gifts to be retained either by explicit donor stipulations or by UPMIFA:	
Donor restricted net assets in perpetuity	\$ 8,418,669
Total net assets with donor restrictions	<u>\$ 10,754,464</u>

Net assets restricted in perpetuity consist of endowment fund assets to be held indefinitely. The income from the assets can be used to support the Foundation's scholarship activities.

During the year, net assets with restrictions were released for satisfaction of the following restrictions:

Time restrictions released	
Non-endowed equipment and other programs	\$ 9,627
Total time restrictions released	<u>\$ 9,627</u>
Purpose restrictions released	
Non-endowed scholarships	\$ 196,138
Non-endowed programs	83,659
Non-endowed equipment and other programs	128,967
Endowment scholarships	73,130
Endowment programs	11,010
Total purpose restrictions released	<u>\$ 492,904</u>
Total time and purpose restrictions released	<u>\$ 502,531</u>

7. Related Party Transactions

The Foundation exists to provide support of educational programs at Midlands Technical College. All of the Foundation's expenditures are for the operation of the Foundation, scholarships for Midlands Technical College students, or other support of Midlands Technical College. Midlands Technical College provides office space and support services to the Foundation at no cost. Additionally, the Foundation paid the College a total of \$3,000 for administrative services during the year.

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Classification of Endowment Funds

The Foundation's endowment funds consist of the following at June 30, 2019:

	Endowments Without Donor Restrictions	Endowments With Donor Restrictions	Total Endowments	Funds Not Meeting the Definition	Total Reported Net Assets
Net assets with donor restrictions	\$ -	\$ 8,803,697	\$ 8,803,697	\$ 1,950,767	\$ 10,754,464
Net assets without donor restrictions- undesignated	-	-	-	966,300	966,300
Net assets without donor restrictions- designated	716,703	-	716,703	-	716,703
Total	\$ 716,703	\$ 8,803,697	\$ 9,520,400	\$ 2,917,067	\$ 12,437,467

From time to time, fair market value assets associated with individual donor-restricted endowment funds may fall below the level stipulated by the donor or required by state law to be retained as a fund of perpetual duration.

The following table presents changes to the Foundation's endowment funds for the year ended June 30, 2019:

	Endowments Without Donor Restrictions	Endowments With Donor Restrictions	Total Endowments
Endowments at June 30, 2018	\$ 643,433	\$ 8,279,777	\$ 8,923,210
Reclassification by management	17,685	8,178	25,863
Investment Returns	17,586	124,967	142,553
Market Gains	50,099	369,459	419,558
Net Earnings	85,370	502,604	587,974
Contributions	-	105,456	105,456
Appropriated for expenditures	(12,100)	(84,140)	(96,240)
Endowments at June 30, 2019	\$ 716,703	\$ 8,803,697	\$ 9,520,400

MIDLANDS TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Classification of Endowment Funds (Continued)

During the year ended June 30, 2019, management noted certain funds, restricted for purposes, that were no longer serving the purpose as given. The Foundation's policies and procedures allow for reclassification of such funds. These reclassifications resulted in a net increase in UPMIFA net assets of \$25,863 as noted above.

9. Liquidity and Availability of Financial Assets

Financial Assets as of June 30, 2019

Cash and cash equivalents	\$ 566,679
Contributions receivable, net	486,958
Other receivable	31,470
Investments	<u>11,462,447</u>
Total financial assets as of June 30, 2019	<u>\$ 12,547,554</u>

Less amounts not available to meet general expenditures within one year

Contributions receivable, net	\$ 486,958
Other receivable	31,470
Donor restricted endowments held in perpetuity	<u>8,418,669</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,610,457</u>

10. Subsequent events

Subsequent events were evaluated through September 10, 2019, which is the date the financial statements were available for issue.

OTHER FINANCIAL INFORMATION

Midlands Technical College Foundation, Inc.
Combining Schedule of Net Assets
With Donor Restrictions and Without Donor Restrictions-Designated Funds
as of June 30, 2019
(with comparative amounts at June 30, 2018)

Fund Name	With Donor Restrictions	Without Donor Restrictions Designated	2019 Total Fund Balance*	2018 Total Fund Balance
Accounting Program Support	\$ 684	\$ -	\$ 684	\$ 684
ADN Alumni Scholarship	-	-	-	95
ADN Program Support	4,655	-	4,655	4,655
Advanced Manufacturing Grant Fund	30,000	-	30,000	5,000
African American Male Leadership Institute	16,652	-	16,652	17,731
AITP Scholarship Endowment	13,693	-	13,693	12,847
Albin Johnson Memorial Endowment	181,254	-	181,254	178,866
Allied Dental Program	25	-	25	25
Alumni Association Endowment	33,266	-	33,266	31,964
Alvin J. & Shanita T. D'Angelo Grant Fund	3,852	-	3,852	4,750
Ambassador Assembly Support Fund	1,218	-	1,218	1,218
Area Hospitals Endowment	1,367,339	-	1,367,339	1,307,341
Arts & Sciences Endowment	12,068	-	12,068	11,249
Auto Equipment	29,607	-	29,607	27,707
AVANTech Inc. Chemical Technology Scholarship Fund	21,340	-	21,340	21,340
Bank of America QuickJobs	69,690	-	69,690	2,026
Bank of America Veterans QuickJobs Fund	21,677	-	21,677	32,520
Barbara & Lester Reed Development Endowment	25,510	-	25,510	24,391
Beatrice Lindau Endowment	43,433	-	43,433	41,511
BFS Automotive Support	14,625	-	14,625	15,625
Bill Hayes Memorial Endowment	14,810	-	14,810	13,912
Bill Lind Memorial	-	-	-	3,626
Bill Lind Scholarship Endowment	43,421	-	43,421	39,814
Bishop A. C. Jackson Family Scholarship Fund	6,473	-	6,473	5,938
Blair Park Rivers Endowed Nursing Scholarship Fund	785	-	785	-
Blair Park Rivers QuickJobs Scholarship	4,333	-	4,333	4,117
Blue Cross Blue Shield of SC	110,373	-	110,373	-
BN Life Skills Center Endowment Fund	855,522	-	855,522	792,056
BN QuickJobs Endowment Fund	819,815	-	819,815	774,646
Bridging the Gap Endowed Grant Fund	126,254	-	126,254	122,833
Bridging the Gap Scholarship Fund	1,380	-	1,380	5,469
Burkett Burkett & Burkett, CPA, P.A. Endowed Scholarship	33,062	-	33,062	30,971
Burroughs-Wyman Endowment	15,851	-	15,851	15,417
Burt Friday Scholarship	-	-	-	10
Call Me Mister Program Support Endowment	18,390	-	18,390	17,432
Carl Hammond Memorial Scholarship	950	-	950	950
Carpentry Framing	19,752	-	19,752	19,752
Carr Family Scholarship Endowment	12,822	-	12,822	11,543
Cayce-West Columbia Rotary Club Don H. Morris Scholarship	1,462	-	1,462	-
Charles Palmer Communities in Schools Endowment	74,482	-	74,482	72,603
Christine Hipp Endowment	18,083	-	18,083	17,628
Christopher Conner QuickJobs Scholarship Fund	4,203	-	4,203	2,724
Clark Rivers Endowed Automotive Technologies Tool Fund	61,201	-	61,201	-
Clinical Board Program	30,280	-	30,280	30,280
Col. Pete Sercer Irmo High School AFJROTC Scholarship	4,841	-	4,841	4,366

*Includes Contributions Receivable

Midlands Technical College Foundation, Inc.
Combining Schedule of Net Assets
With Donor Restrictions and Without Donor Restrictions-Designated Funds
as of June 30, 2019
(with comparative amounts at June 30, 2018)

Fund Name	With Donor Restrictions	Without Donor Restrictions Designated	2019 Total Fund Balance*	2018 Total Fund Balance
Colonial Life Grant Fund	72,649	-	72,649	100,000
Colonial Life IT QuickJobs Program Fund	16,482	-	16,482	16,482
Commercial Graphics Department	14,114	-	14,114	14,520
Continuing Education Support Program	23,857	-	23,857	23,857
Corrine P. Rogers Scholarship Fund	1,894	-	1,894	1,824
Coursepower (Applied Computing Minor/Cert) Scholarship	475	-	475	950
D.L. Scurry Foundation Endowment	115,941	-	115,941	111,225
Darcel & Candacy Sanders Scholarship	-	-	-	1,967
Dental Support	29,971	-	29,971	39,802
Dental Support - Nitros	10,009	-	10,009	5,667
Derrick Family Endowment Scholarship	15,127	-	15,127	14,286
Developmental Studies Loan	4,936	-	4,936	4,936
Division Support	7,300	-	7,300	-
Dixon Durham & Julia Durham Miller	-	-	-	9,518
Dogs Offering Military Support Fund (DOMS)	37,617	-	37,617	37,750
Dorothy Smith Endowment Scholarship	42,199	-	42,199	40,119
Dr. James R. Morris, Jr. Leadership Development Endowment Fund	33,830	-	33,830	31,360
Dunbar-Tompkins Distinguished Lecturer Endowment	21,326	-	21,326	20,038
Early Childhood Development	12	-	12	12
Elizabeth A. Marchi, RDH Scholarship Fund	11,281	-	11,281	1,283
Engineering Equipment	1,659	-	1,659	1,659
Engineering Technology Endowment	26,895	-	26,895	25,794
English Department Bonner Endowment Fund	25,601	-	25,601	23,565
Equipment Fund	3,282	-	3,282	3,225
Ernest F. Hollings Endowment Scholarship	64,926	22,116	87,042	84,225
Ernie Dennison Memorial Scholarship Endowed Fund	45,680	-	45,680	43,246
Eunice Primus-Robinson Endowment Scholarship	19,785	-	19,785	19,196
Excellence in Technology Endowment	309,014	198,494	507,508	482,551
Faculty and Staff Development Endowment Fund	47,369	-	47,369	45,028
Faculty and Staff Endowment Scholarship	54,300	-	54,300	47,189
Faculty Council	-	-	-	2,682
Fairfield Electric Cooperative Scholarship	-	-	-	400
Ford Addison Weeks Memorial Nursing Endowment	188,304	-	188,304	180,707
Franklin B. Hines, Jr. Dental Hygiene Endowed Scholarship	26,069	-	26,069	23,959
Friends of the College Dinner Endowment	48,317	23,549	71,866	69,159
Fund the Gap Endowment Fund	27,302	-	27,302	12,768
Gene Haas QuickJobs Scholarship	36,504	-	36,504	28,155
General Scholarship Endowment	125,740	-	125,740	112,673
George Wooldridge Scholarship Endowment	19,138	-	19,138	18,523
Google Grant Fund	35,956	-	35,956	-
Greater Columbia Dental Association Endowment	32,198	-	32,198	31,215
Harbison Theatre Endowment Program Fund	4,066	-	4,066	3,737
Harbison Theatre Support	183,780	-	183,780	131,542
Harriet Gardin Fields Fund for Needy Students	1,506	-	1,506	1,506
Health Information Technology Program Support	-	-	-	50

*Includes Contributions Receivable

Midlands Technical College Foundation, Inc.

Combining Schedule of Net Assets

With Donor Restrictions and Without Donor Restrictions-Designated Funds

as of June 30, 2019
(with comparative amounts at June 30, 2018)

Fund Name	With Donor Restrictions	Without Donor Restrictions Designated	2019 Total Fund Balance*	2018 Total Fund Balance
Henry A. & Pauline H. Goodall Scholarship Endowment	37,043	-	37,043	35,563
Higher Education Research and Scholarship Foundation Fund	10,000	-	10,000	10,000
Human Services Support	1,694	-	1,694	2,404
Humanities Department Studio Arts Scholarship	574	-	574	574
HVAC Endowment	24,051	-	24,051	23,112
HVAC High School Program	-	-	-	2,561
HVAC Program Support	14,261	-	14,261	11,700
Industrial Division Student Needs	3,132	-	3,132	3,132
Industrial Technology Equipment	1,109	-	1,109	1,109
Infiltration Anesthesia	940	-	940	940
International Paper QuickJobs Funds	1,319	-	1,319	7,832
IST Endowed Program Fund	30,037	-	30,037	27,959
IST Program Support	25	-	25	25
Jake Salley Endowment	12,623	-	12,623	12,204
James L. Hudgins Scholarship Endowment	44,394	-	44,394	42,657
Jimmy Jones Scholarship	33,424	-	33,424	33,424
John A. Norcia Scholarship Fund	8,600	-	8,600	17,100
John Courson Endowment	16,308	-	16,308	15,858
Joseph Daniel Love, Jr. Respiratory Care Student Scholarship	2,427	-	2,427	713
Joseph Mallini Paralegal Program Endowment	16,221	-	16,221	15,231
Judith Litman Lindau Scholarship Endowment	69,593	-	69,593	67,922
Jules W. Lindau Memorial Engineering Endowment	48,438	-	48,438	47,260
Kirby Able Scholarship Endowment	22,606	-	22,606	22,068
Lasenta Lewis-Ellis Scholarship Fund	3,800	-	3,800	4,700
Lexington Technology Center/Haas Grant Fund	5,000	-	5,000	5,000
Lloyd A. Harris Endowment	15,275	-	15,275	14,420
Machine Tool Technician	39,260	-	39,260	30,285
Management & Marketing Program Support	609	-	609	609
Margaret Kelly Cubbon Endowed Scholarship Fund	33,097	-	33,097	31,994
Maria Marchant Endowment	13,233	-	13,233	12,898
Marion & Rachel Knox Endowment	90,333	-	90,333	87,007
Mark Wildermuth T-Com Memorial Scholarship Endowment	21,183	-	21,183	20,454
Marshall (Sonny) White Endowed Fund for Excellence	69,636	-	69,636	65,552
Mary H. Holloway Student Development Scholarship Fund	950	-	950	1,900
Mary Leitner Memorial Endowed Scholarship	12,509	-	12,509	11,990
Maxie S. Gordon, Sr. Memorial Endowment Scholarship	16,062	-	16,062	15,581
Michael Parks Airs Scholarship Fund	2,106	-	2,106	3,606
Midlands Human Resource Association Scholarship	512	-	512	512
Mot & Malcolm Little Scholarship	17,940	-	17,940	25,940
MTC Cares Faculty Service-Learning Award	-	-	-	5,348
MTC Center for Entrepreneurial Success Program Fund	6,270	-	6,270	190
MTC Emergency Fund for Youth in Transition	4,194	-	4,194	5,493
MTC Life Skills Center Fund	31,346	-	31,346	31,211
MTC Medical Assisting Scholarship Fund	1,312	-	1,312	1,141
MTC Retiree Scholarship	463	-	463	488

*Includes Contributions Receivable

Midlands Technical College Foundation, Inc.

Combining Schedule of Net Assets

With Donor Restrictions and Without Donor Restrictions-Designated Funds

as of June 30, 2019
(with comparative amounts at June 30, 2018)

Fund Name	With Donor Restrictions	Without Donor Restrictions Designated	2019 Total Fund Balance*	2018 Total Fund Balance
MTC Student Veterans Operating Fund	6,000	-	6,000	6,000
MTC Study Abroad Grant Award Fund	48	-	48	285
Nursing & Health Science Endowment	120,976	-	120,976	116,076
Office Systems Technology Scholarship	537	-	537	490
Operation Santa Claus Support	756	-	756	348
Palmer College Corporation	141,176	-	141,176	141,175
Palmetto PC Club Scholarship	4,550	-	4,550	4,550
Patricia Mogel Coogler Dental Sciences Endowed Scholarship	62,193	-	62,193	58,663
Paul B. Vann Memorial Nursing Endowment Scholarship	16,386	-	16,386	15,908
Peggy Hall Small Scholarship Fund	15,000	-	15,000	19,000
Permanently Restricted	63,335	-	63,335	58,883
Physical Therapist Assistant Program	2,703	-	2,703	2,811
President's Excellence Endowment	46,593	-	46,593	42,726
QuickJobs Scholarship	33,828	-	33,828	109,464
Radiologic Technician Mentorship Program	6,997	-	6,997	7,747
Ralph D. Levine Scholarship Endowment	19,827	-	19,827	19,351
Respiratory Care - Camp Catch Your Breath	3,017	-	3,017	3,918
Respiratory Care Support	2,118	-	2,118	1,778
Respiratory Therapy Loan	2,350	-	2,350	2,350
Restricted	4,495	-	4,495	4,495
Richard Craig Pitts Memorial Scholarship	897	-	897	897
Richard T. Boan Endowment for Excellence in Health Sciences	13,168	-	13,168	11,953
Richard W. Riley Endowment	80,026	24,987	105,013	100,460
Rivers' Kids (Art, Clark, Blair & Grier) Endowed Scholarship	6,716	-	6,716	-
Rivers' Kids (Art, Clark, Blair & Grier) Scholarship	3,805	-	3,805	4,655
Robert C. Hughes Memorial Endowment Fund	22,504	-	22,504	20,985
Robert E. McNair Development Endowment	122,999	49,542	172,541	165,469
Ronnie Scott Memorial Endowment	35,192	-	35,192	33,922
Rosi Mary McLeod Human Services Scholarship Endowment	21,577	-	21,577	20,967
Sarah Rhames Book Fund for Business Students Endowment	95,747	-	95,747	71,831
SC Physician's Care Charity Fund	-	-	-	320
SC State Fair Endowment	18,821	-	18,821	18,382
SCE&G Nuclear Systems Technology	470,851	-	470,851	470,850
Schneider Electric/Square D Endowment	87,543	-	87,543	85,685
SCT Professional Development	-	-	-	5,837
Semih Ulgen Scholarship Endowment	13,941	-	13,941	13,089
Senior Nursing Student Assistance	1,058	-	1,058	1,058
Shandon Presbyterian Church Funds	-	-	-	29
Shirley M. Knox Endowment	80,728	-	80,728	78,553
Sisters of Charity	-	-	-	212
Solomon Jackson Jr. QuickJobs & Technical Edu. Endowment Fund	1,329,915	-	1,329,915	1,246,586
Spencer T. Jones Memorial Scholarship Fund	2,400	-	2,400	550
Steven L. Ball Memorial Scholarship Endowment	22,109	-	22,109	20,956
Strom Thurmond Endowment	76,931	26,016	102,947	99,646
Student Success Endowment	73,071	36,120	109,191	101,223

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Midlands Technical College Foundation, Inc.
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as of June 30, 2019
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Fund Name	With Donor Restrictions	Without Donor Restrictions Designated	2019 Total Fund Balance*	2018 Total Fund Balance
Surgical Technician Program	3,662	-	3,662	3,443
Teaching Excellence Endowment	26,538	17,537	44,075	41,901
Temporary Restricted	998	-	998	222,818
Unrestricted Endowment	-	318,342	318,342	298,706
Virgil C. & Vera B. Summer Endowment Scholarship	20,840	-	20,840	20,245
Water Environment Association of SC Legacy of Learning	1,525	-	1,525	1,575
Welding Program Support Fund	16,224	-	16,224	13,311
Wells Fargo QuickJobs	7,326	-	7,326	32,877
Wells Fargo Scholarship Endowment	13,065	-	13,065	12,722
Wilkins Family Grants Endowment	91,282	-	91,282	84,669
William C. Goodwin IV Memorial Endowment	13,428	-	13,428	13,109
William Jerry Wood Life Skills Center Endowment	551,416	-	551,416	523,228
Youth Apprenticeship Program Support Fund	135,823	-	135,823	-
Totals	\$ 10,754,464	\$ 716,703	\$ 11,471,167	\$ 10,832,386

