

**TECHNICAL COLLEGE OF THE
LOWCOUNTRY FOUNDATION, INC.**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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Richard D. Crowley, CPA, CVA
Lisa T. Wechsler, CPA, CFE
Robert J. Nagy, CPA, CGMA
Mark Smolinski, CPA, CFE
Raquel Biascochea, JD, CPA

CERTIFIED PUBLIC ACCOUNTANTS

Member:
American Institute of CPAs
South Carolina Association of CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Technical College of the Lowcountry Foundation, Inc.

We have audited the accompanying financial statements of Technical College of the Lowcountry Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities 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 Technical College of the Lowcountry Foundation, Inc. as of June 30, 2020, 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.

Crowley Wechsler & Associates LLC

Crowley Wechsler & Associates LLC
Beaufort, South Carolina
September 21, 2020

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL (MEMORANDUM ONLY)
Current Assets			
Cash and Cash Equivalents	\$ 68,699	\$ 475,679	\$ 544,378
Cash Restricted	12,248,637	-	12,248,637
Interfund Receivables/Payables	42,847	(42,847)	-
Accounts Receivable	2,650	-	2,650
Total Current Assets	<u>12,362,833</u>	<u>432,832</u>	<u>12,795,665</u>
Non-Current Assets			
Investments	372,816	1,169,311	1,542,127
Total Non-Current Assets	<u>372,816</u>	<u>1,169,311</u>	<u>1,542,127</u>
 Total Assets	 <u>\$ 12,735,649</u>	 <u>\$ 1,602,143</u>	 <u>\$ 14,337,792</u>
 LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 48,839	\$ -	\$ 48,839
Current Portion of Long-Term Liabilities	800,000	-	800,000
Unearned Project Funds	4,248,637	-	4,248,637
Total Current Liabilities	<u>5,097,476</u>	<u>-</u>	<u>5,097,476</u>
Noncurrent Liabilities			
Bond Payable	7,200,000	-	7,200,000
Total Noncurrent Liabilities	<u>7,200,000</u>	<u>-</u>	<u>7,200,000</u>
Total Liabilities	<u>12,297,476</u>	<u>-</u>	<u>12,297,476</u>
 Net Assets	 <u>438,173</u>	 <u>1,602,143</u>	 <u>2,040,316</u>
 Total Liabilities and Net Assets	 <u>\$ 12,735,649</u>	 <u>\$ 1,602,143</u>	 <u>\$ 14,337,792</u>

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

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL (MEMORANDUM ONLY)
REVENUES AND SUPPORT			
Donations	\$ 128,351	\$ 541,081	\$ 669,432
In-kind Contributions	264,434	-	264,434
Investment Income	(2,824)	(35,049)	(37,873)
Special Event	-	15,416	15,416
Less Direct Costs of Fundraising	-	(10,356)	(10,356)
Net Assets Released from Restrictions	210,125	(210,125)	-
Total Revenues and Support	<u>600,086</u>	<u>300,967</u>	<u>901,053</u>
FUNCTIONAL EXPENSES			
Scholarships	266,100	-	266,100
Assistance to Technical College	98,049	-	98,049
General and Administrative	86,476	-	86,476
Fundraising	169,362	-	169,362
Total Functional Expenses	<u>619,987</u>	<u>-</u>	<u>619,987</u>
Increase (Decrease) in Net Assets	(19,901)	300,967	281,066
Net Assets, Beginning of Year	458,074	1,301,176	1,759,250
Net Assets, End of Year	<u>\$ 438,173</u>	<u>\$ 1,602,143</u>	<u>\$ 2,040,316</u>

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

**TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		TOTAL (MEMORANDUM ONLY)
	<u>SCHOLARSHIPS</u>	<u>ASSISTANCE TO TECHNICAL COLLEGE</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUND RAISING</u>	
Accounting Fees	\$ 4,690	\$ -	\$ 3,127	\$ 4,690	\$ 12,507
General Insurance	796	-	531	796	2,123
Grants	-	1,403	-	-	1,403
Office Expense	6,239	-	4,159	6,240	16,638
Postage and Shipping	378	-	252	379	1,009
Printing	1,150	-	767	1,150	3,067
Rent	3,600	-	2,400	3,600	9,600
Scholarships	135,104	-	-	-	135,104
Special Events	-	-	-	40,288	40,288
TCL Employee Compensation	109,403	-	72,934	109,403	291,740
Student Assistance	-	16,526	-	-	16,526
College Assistance	-	43,646	-	-	43,646
TCL President- Supplement	-	35,975	-	-	35,975
Travel and Meeting	2,817	-	1,878	2,816	7,511
Trustees and Bank Fees	1,923	499	428	-	2,850
Total Functional Expenses	<u>\$ 266,100</u>	<u>\$ 98,049</u>	<u>\$ 86,476</u>	<u>\$ 169,362</u>	<u>\$ 619,987</u>

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

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities	
Cash Received without Donor Restriction	\$ 123,891
Cash Received with Donor Restriction	511,092
Cash Paid for Operating Expenses	(314,725)
Net Cash Provided (Used) by Operating Activities	<u>320,258</u>
Cash Flows From Investing Activities	
Interest and Dividends Reinvested	(33,618)
Investment Fees	10,382
Deposits to Investment Account	(170,000)
Unrealized Gains/Losses Reinvested	61,109
Net Cash Provided (Used) by Investing Activities	<u>(132,127)</u>
Cash Flows From Financing Activities	
Restricted Cash for Bond Reserve	1,972,687
Restricted Cash for Project Account	10,275,950
Proceeds from Bond	(8,000,000)
Capital Contributions for Project	(4,500,000)
Investment Earnings on Project Account	(155,070)
Project Disbursements	406,433
Net Cash Provided (Used) by Financing Activities	<u>-</u>
 NET INCREASE (DECREASE) IN CASH	 <u>188,131</u>
 CASH AT BEGINNING OF YEAR	 <u>356,247</u>
 CASH AT END OF YEAR	 <u>\$ 544,378</u>
Reconciliation of Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Change in Net Assets	\$ 281,066
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided (Used) by Operating Activities	
(Increase) Decrease in Accounts Receivable	(1,636)
Increase (Decrease) in Accounts Payable	40,828
Total Adjustments	<u>39,192</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 320,258</u>

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

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The Technical College of the Lowcountry Foundation, Inc. (the “Foundation”) is a South Carolina not-for-profit organization incorporated in 1983. The Foundation is a legally separate, tax-exempt component unit of the Technical College of the Lowcountry (the “College”). The Foundation is constituted for charitable and educational purposes, specifically to solicit, receive, administer and donate funds and property for the encouragement, support and furtherance of the educational and professional goals of the Technical College of the Lowcountry located in Beaufort, South Carolina. Because the 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.

Basis of Presentation: The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Financial Accounting Standards Board (FASB) establishes the FASB Accounting Standards Codification as the source of authoritative United States generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. This authoritative guidance has been applied in the preparation of the Foundation’s financial statements as of June 30, 2020. The following accounting policies are presented to facilitate the understanding of information presented in the financial statements.

The financial statements of the Organization have been prepared according to the FASB issued Accounting Standards Update 2016-14, Not-for-Profit (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This was meant to improve the presentation of financial statements and disclosures of not-for profit organizations by providing more relevant information about their resources, and changes in those resources, to their donors, grantors, creditors and other users. The new guidance requires not-for-profit entities to present the amount for each of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions.

Contributions: Contributions received, including unconditional pledges, are recognized as revenue when donors’ commitments are received. Pledges made and collected in the same reporting period are recorded when received in the appropriate net asset category. Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor.

Grants and other contributions of cash and other assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Interest and dividends are recorded in net assets without donor restrictions. Investment earnings with donor restrictions are recorded in net assets with donor restrictions based on the nature of the restrictions.

Cash and Cash Equivalents: The Foundation considers cash in operating bank accounts, cash on hand, certificates of deposit, U.S. Treasury bills, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements: The Financial Accounting Standards Board (FASB) guidance on fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially that full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Equipment: Donated property and equipment is recorded at fair value at the date of the donation. All other equipment is recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets set at 5 years.

Functional Allocation of Expenses: Functional expenses are specifically allocated whenever practical or are allocated based on program and service utilization.

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.

Spending Policy: The Board has adopted a formal spending policy governing the Endowment and Special Scholarship Funds. Up to 4.5% for scholarships and 0.5% for administrative expenses of the average market value over the preceding three years may be expended in any fiscal year.

Income Tax Status: The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1) and has been classified as an organization other than a private foundation under Section 509(e). In accordance with financial accounting standards, the Foundation evaluated all tax positions that could have a significant effect on the financial statements and determined the Foundation had no uncertain tax positions at June 30, 2020. The Foundation is no longer subject to income tax examination by the federal or state authorities for years before 2016.

NOTE 2 CASH AND INVESTMENTS

Concentration of Credit Risk: The Foundation maintains its cash accounts with local financial institutions. Bank balances are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020, cash in operating accounts exceeded FDIC limits by \$296,750. Restricted cash of \$12,248,637 was collateralized by the South Carolina Public Funds deposit program.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 CASH AND INVESTMENTS - Continued

The Foundation maintains its investments at one brokerage firm. Accounts maintained at the brokerage firm are insured up to \$500,000 for securities, including a limit of \$250,000 on claims for cash, under the securities investor protection corporation ("SIPC"). At June 30, 2020, total cash and securities were \$1,542,127. Management believes that the Foundation's investments do not represent significant concentrations of market risk. The Foundation's investments portfolio is adequately diversified among issuer's and management believes that the Foundation has the ability to hold its investment portfolio during periods of temporary market decline.

Investments – Investments in marketable equity securities with readily determinable fair values and all investment in debt securities are carried at fair market value. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

Fair value measurement of investments as of June 30, 2020 is as follows:

	Assets Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Deposit Accounts	\$ 210,173	\$ -	\$ -
Fixed Income	20,486	-	-
Equity Securities	864,634	-	-
Bond Funds	188,089	-	-
Exchange Traded Funds	220,988	-	-
Other Assets	37,757	-	-
Total	\$ 1,542,127	\$ -	\$ -

Unrealized Gains from investments as of June 30, 2020 is summarized as follows:

	Fair Value	Cost Basis	Unrealized Gains
Cash and Deposit Accounts	\$ 210,173	\$ 210,173	\$ -
Fixed Income	20,486	19,851	635
Equity Securities	864,634	650,140	214,494
Bond Funds	188,089	176,408	11,681
Exchange Traded Funds	220,988	241,664	(20,676)
Other Assets	37,757	31,506	6,251
Total	\$ 1,542,127	\$ 1,329,742	\$ 212,385

Investment income for the year ended June 30, 2020 is as follows:

Change in Unrealized Gains/(Losses)	\$ (61,109)
Interest and Dividends	33,618
Investment Fees	(10,382)
Total investment income	\$ (37,873)

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020, is summarized as follows:

Receivables	
Unrestricted Contributions	\$ 397
Scholarships	2,253
Total Receivables	<u>\$ 2,650</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2020:

Computer Equipment	\$ 887
Less Accumulated Depreciation	(887)
Total Property and Equipment, net of depreciation	<u>\$ -</u>

Depreciation for the year ended June 30, 2020 was \$0.

NOTE 5 ACCOUNTS PAYABLE

Accounts payable, as of June 30, 2020, is summarized as follows:

Payables	
Payroll Expenses	\$ 4,345
Scholarships	43,982
Credit Cards	512
Total Payables	<u>\$ 48,839</u>

NOTE 6 UNEARNED PROJECT FUNDS

Unearned project funds as of June 30, 2020, is summarized as follows:

Unearned Project Funds	
Project Contributions	\$ 4,500,000
Investment Earnings on Project Account	155,070
Project Disbursements	(406,433)
Total Unearned Project Funds	<u>\$ 4,248,637</u>

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 BOND PAYABLE

During the fiscal year, the Foundation entered into an agreement with the South Carolina Jobs-Economic Development Authority (JEDA) for a construction bond in the amount of \$8,000,000, with a term of 10 years for the construction of the TCL Culinary Institute.

Maturity of the bond is as follows:

Year Ended June 30,	JEDA Bond
2021	\$ 800,000
2022	800,000
2023	800,000
2024	800,000
2025	800,000
Thereafter	4,000,000
Total	\$ 8,000,000

NOTE 8 IN-KIND REVENUE

The following is a summary of the levels within the fair value hierarchy for the in-kind contributions:

	Assets Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
In-Kind Contributed Rent	\$ -	\$ -	\$ 9,600	\$ 9,600
In-Kind Rent (Expense)	-	-	(9,600)	(9,600)
Total	\$ -	\$ -	\$ -	\$ -

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

A summary of the status of contributions with donor restrictions at June 30, 2020 follows:

Scholarships Funds	\$ 619,056
TCL Academic Programs	299,702
Endowment Funds	683,385
Total net assets with donor restriction	\$ 1,602,143

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS - Continued

The Foundation has several endowment funds, the principal of which is with donor restriction. Realized and unrealized earnings on these funds are available to provide scholarships. A summary of the Foundation's endowment funds at June 30, 2020 follows:

Angus Cotton Endowment	\$ 42,865
Family Resources Fund	63,976
G. Thomas Upshaw Endowed Scholarship Fund	50,000
Hodges Endowment Fund	12,375
Kilpatrick Memorial Fund	33,735
Lou Gast Endowed Educational Scholarship	50,000
Public Contributions	15,194
Verity Memorial Fund	85,221
Helen McCan Thompson	10,000
Wilson Memorial Fund	150,019
Beaufort Trust Fund	<u>170,000</u>
Total permanently restricted net assets	<u><u>\$ 683,385</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following net assets with donor restriction were released for the year ended June 30, 2020:

Scholarships	\$ 142,352
TCL Academic Programs	<u>67,773</u>
Total net assets released from restriction	<u><u>\$ 210,125</u></u>

NOTE 10 RELATED PARTY TRANSACTIONS

During the year ended June 30, 2020, the Foundation paid and accrued expenses to scholarships, grants, special events, and other assistance of \$77,146 to the Technical College of the Lowcountry (the College). At June 30, 2020, \$47,502 was included in accounts payable to the College. The Foundation is provided an office on the campus of the College at no charge. The College has estimated the fair value of rent received to be \$9,600 per year using a level 3 fair market valuation. The Foundation received managerial and accounting services for two positions from the College's employees. Effective September 2016, the College pays the entire salary of the executive director and administrative assistant. The salaries and benefits that were not paid by the Foundation for the year ended June 30, 2020 was \$254,834. The following is a summary of the amounts recorded as in-kind revenue and expenses for the year ended June 30, 2020:

	Unrestricted Revenues	Functional Expenses		
		Scholarships	General and Administrative	Fundraising
Rent	\$ 9,600	\$ 3,600	\$ 2,400	\$ 3,600
Salaries and Benefits	254,834	95,563	63,709	95,563
Total	<u>\$ 264,434</u>	<u>\$ 99,163</u>	<u>\$ 66,109</u>	<u>\$ 99,163</u>

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 RELATED PARTY TRANSACTIONS - Continued

The Foundation entered into an agreement with the Technical College of the Lowcountry (College) to act as a conduit for the construction and financing of a Culinary Arts Institute and Interpretive Center ("Culinary Center") in Bluffton, South Carolina in the amount of \$11,243,000. The financing of which has been secured by an \$8 million South Carolina Jobs-Economic Development Agreement (JEDA) Economic Development Revenue Bond through BB&T (refer to note 7), along with (1) approximately \$1,243,000 of local hospitality taxes contributed from Beaufort County and (2) approximately \$2,000,000 of the College's capital reserves. The Bond is payable in ten annual installments of approximately level payments, and is payable from and secured by (a) amounts annually provided by Beaufort County, the Town of Bluffton and the Beaufort County School District (as described below) and (b) approximately \$2,000,000 of local hospitality taxes previously contributed from Beaufort County and deposited to a bond reserve fund.

Beaufort County, on behalf of itself and as fiscal agent for the Town of Bluffton and the Beaufort County School District, has committed to annually provide \$800,000 in available revenues over a ten-year period (for a total of \$8 million), subject to annual appropriations, to the College. Pursuant to a lease between the College and the Foundation, the College has agreed to make ten annual lease payments equal to \$800,000 (for a total of \$8 million), subject to annual appropriation, which lease payments are intended to be used by the Foundation for repayment of the Bond. The College agreed to undertake the construction and the financial administration of the project.

During the year ended June 30, 2020, the College contributed \$2,000,000 and Beaufort County contributed \$2,500,000 in hospitality funds towards the Culinary Center Project. These funds, along with the JEDA bond proceeds of \$8,000,000, were deposited into two separate bank accounts referred to as the TCL Bond Reserve and the TCL Project Account. Investment earnings on the Project Accounts were \$155,070. Culinary Center Project disbursements of \$406,433 were paid out during the year mainly for architecture fees. The Foundation has a contract commitment of approximately \$80,000 for the remaining architect fees. On June 30, 2020, the Foundation was holding \$12,248,637 in funds for the Culinary Center Project.

On August 17, 2020, the State of South Carolina awarded a contract for \$10,075,007, on behalf of the College, for the construction of the Culinary Building Project.

NOTE 11 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$487,012 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$111,546, accounts receivable of \$2,650, and investments of \$372,816. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year. The amount of financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date are \$1,602,143. The Organization sets a goal of having financial assets on hand to meet 60 days of normal operating expenses, which are, on average, around \$30,000 a month. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organization also invests its cash in excess of its daily needs in investment accounts.

TECHNICAL COLLEGE OF THE LOWCOUNTRY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 21, 2020, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. The World Health Organization (WHO) declared the COVID-19 outbreak a pandemic on March 11, 2020. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The unemployment rate for Beaufort County, South Carolina was 7.4% for June 2020 compared to 3.0% for June 2019. The Foundation has experienced an impact in the cancellation of scheduled fundraising events and unrealized losses on its investments. The duration and impact of the COVID-19 pandemic remains unclear at this time. The Foundation has determined that these events are non-adjusting subsequent events. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Foundation for future periods. Accordingly, the financial position and results of operations as of and for the year ended June 30, 2020 have not been adjusted to reflect their impact.