

AUDITED FINANCIAL STATEMENTS

*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*

August 31, 2024

TABLE OF CONTENTS  
*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*  
August 31, 2024

Independent Auditors' Report ..... 1

AUDITED FINANCIAL STATEMENTS

Statements of Assets, Liabilities and Net Assets – Modified Cash Basis .....4  
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis – For the Year Ended  
August 31, 2024 .....5  
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis – For the Year Ended  
August 31, 2023 .....6  
Statement of Functional Expenses – Modified Cash Basis – For the Year Ended August 31, 2024 ..... 7  
Statement of Functional Expenses – Modified Cash Basis – For the Year Ended August 31, 2023 ..... 8  
Notes to the Financial Statements .....9

SUPPLEMENTARY INFORMATION

Schedule of Gifts and Awards Distributed .....18  
Schedule of Member College Assessments .....19

1704 Laurel Street  
Columbia, SC 29201

P.O. Box 2411  
Columbia, SC 29202  
Phone (803) 799-0555  
Fax (803) 799-4212  
[www.hobbscpa.com](http://www.hobbscpa.com)



125 W. Stone Avenue  
Greenville, SC 29609

Phone (864) 271-7503  
Fax (864) 751-5889

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
South Carolina Independent Colleges and Universities, Inc.

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the financial statements of South Carolina Independent Colleges and Universities, Inc. (the "Organization"), which comprise the statements of assets, liabilities and net assets – modified cash basis as of August 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and net assets of the Organization as of August 31, 2024 and 2023, and the revenues and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note A.

#### *Emphasis of Matter*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Basis for Accounting*

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the

circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of member college assessments and gifts and awards distributed are presented for the purposes of additional analysis and are 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 the modified cash basis of accounting. In our opinion, the information is fairly stated in all material respected in relation to the financial statements as a whole.

Columbia, South Carolina  
January 23, 2025

*The Hall Group, P.A.*

**AUDITED FINANCIAL STATEMENTS**

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
 SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.

	August 31,	
	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 508,607	\$ 451,067
Prepaid expenses	10,464	19,525
Investments	4,904,554	4,411,738
Total Current Assets	<u>5,423,625</u>	<u>4,882,330</u>
Noncurrent Assets		
Property, plant and equipment, net	13,649	16,624
Total Noncurrent Assets	<u>13,649</u>	<u>16,624</u>
TOTAL ASSETS	<u>\$ 5,437,274</u>	<u>\$ 4,898,954</u>
<b>LIABILITIES AND NET ASSETS</b>		
Net Assets		
Without donor restrictions		
Undesignated	\$ 3,577,030	\$ 2,968,829
Designated by Board for endowment	266,495	269,553
With donor restrictions		
Restricted for research grants and scholarships	553,749	620,572
Restricted for endowment	1,040,000	1,040,000
Total Net Assets	<u>5,437,274</u>	<u>4,898,954</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,437,274</u>	<u>\$ 4,898,954</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
*SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.*  
For the Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Gifts and awards received		\$ 515,130	\$ 515,130
Member college assessments	\$ 565,040		565,040
Investment income	675,191	26,032	701,223
Special functions	45,742		45,742
Miscellaneous	2,700		2,700
Buy-in revenue	40,957		40,957
Net Assets Released from Restrictions	607,985	(607,985)	-
Total Revenues and Other Support	<u>1,937,615</u>	<u>(66,823)</u>	<u>1,870,792</u>
<b>EXPENSES</b>			
Program services			
Scholars	523,663		523,663
Student Lifeline	267,661		267,661
Research	196,643		196,643
Special Functions	88,904		88,904
Management and general	215,766		215,766
Fundraising	39,835		39,835
Total Expenses	<u>1,332,472</u>	<u>-</u>	<u>1,332,472</u>
CHANGE IN NET ASSETS	605,143	(66,823)	538,320
Net assets at beginning of year	<u>3,238,382</u>	<u>1,660,572</u>	<u>4,898,954</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,843,525</u>	<u>\$ 1,593,749</u>	<u>\$ 5,437,274</u>

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



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
*SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.*  
For the Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Gifts and awards received		\$ 536,859	\$ 536,859
Member college assessments	\$ 553,344		553,344
Investment income	264,483	29,429	293,912
Special functions	37,604		37,604
Miscellaneous	2,400		2,400
Net Assets Released from Restrictions	666,519	(666,519)	-
Total Revenues and Other Support	<u>1,524,350</u>	<u>(100,231)</u>	<u>1,424,119</u>
<b>EXPENSES</b>			
Program services			
Scholars	550,956		550,956
Student Lifeline	267,957		267,957
Research	237,477		237,477
Special Functions	80,194		80,194
Management and general	217,084		217,084
Fundraising	41,313		41,313
Total Expenses	<u>1,394,981</u>	<u>-</u>	<u>1,394,981</u>
CHANGE IN NET ASSETS	129,369	(100,231)	29,138
Net assets at beginning of year	<u>3,109,013</u>	<u>1,760,803</u>	<u>4,869,816</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,238,382</u>	<u>\$ 1,660,572</u>	<u>\$ 4,898,954</u>

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

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
 SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.  
 For the Year Ended August 31, 2024

	Program Services				Supporting Services		Total
	Scholars	Student Lifeline	Research	Special Functions	Management and General	Fundraising	
Gifts and awards	\$ 397,001	\$ 141,000	\$ 69,984	\$ 66,000			\$ 673,985
Salaries, contracts and payroll taxes	76,560	76,560	76,560		\$ 154,879	\$ 35,172	419,731
Special functions				22,904			22,904
Staff pension plan and insurance	10,492	10,492	10,492		22,149	4,663	58,288
Dues	5,259	5,259	5,259		1,754		17,531
Printing and mailing	2,470	2,470	2,470		823		8,233
Travel and entertainment	2,761	2,761	2,761		5,520		13,803
Public relations	1,156	1,156	1,155		1,155		4,622
Maintenance contracts	2,179	2,179	2,178		726		7,262
Professional services	3,744	3,744	3,744		3,743		14,975
Office supplies	1,594	1,594	1,594		1,595		6,377
Meetings	2,223	2,222	2,222		2,222		8,889
Insurance	1,838	1,838	1,838		1,838		7,352
Telephone	891	891	891		893		3,566
Repairs and maintenance	1,508	1,508	1,508		1,509		6,033
Utilities	922	922	922		922		3,688
Consultant	169	169	169		168		675
Technology	2,762	2,762	2,762		2,761		11,047
Investment fees	7,416	7,416	7,416		7,417		29,665
Miscellaneous	2,718	2,718	2,718		2,717		10,871
Total Expenses Before Depreciation	523,663	267,661	196,643	88,904	212,791	39,835	1,329,497
Depreciation					2,975		2,975
TOTAL EXPENSES	\$ 523,663	267,661	196,643	88,904	\$ 215,766	\$ 39,835	\$ 1,332,472

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

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
 SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.  
 For the Year Ended August 31, 2023

	Program Services				Supporting Services		Total
	Scholars	Student Lifeline	Research	Special Functions	Management and General	Fundraising	
Gifts and awards	\$ 421,000	\$ 138,000	\$ 107,519	\$ 66,000			\$ 732,519
Salaries, contracts and payroll taxes	79,411	79,411	79,411		\$ 160,645	\$ 36,482	435,360
Special functions				14,194			14,194
Staff pension plan and insurance	10,517	10,517	10,517		21,275	4,831	57,657
Dues	6,320	6,320	6,321		2,107		21,068
Printing and mailing	2,358	2,358	2,358		786		7,860
Travel and entertainment	3,076	3,076	3,076		6,152		15,380
Public relations	1,620	1,620	1,620		1,620		6,480
Maintenance contracts	2,138	2,138	2,138		712		7,126
Professional services	4,839	4,840	4,840		4,840		19,359
Office supplies	1,013	1,013	1,013		1,012		4,051
Meetings	1,954	1,954	1,954		1,953		7,815
Insurance	1,674	1,674	1,674		1,674		6,696
Telephone	853	853	853		855		3,414
Repairs and maintenance	1,280	1,280	1,280		1,279		5,119
Utilities	890	890	890		889		3,559
Consultant	87	87	87		89		350
Technology	3,195	3,195	3,195		3,195		12,780
Investment fees	6,849	6,849	6,849		6,850		27,397
Miscellaneous	783	783	783		784		3,133
Total Expenses Before Depreciation	549,857	266,858	236,378	80,194	216,717	41,313	1,391,317
Depreciation	1,099	1,099	1,099		367		3,664
TOTAL EXPENSES	\$ 550,956	267,957	237,477	80,194	\$ 217,084	\$ 41,313	\$ 1,394,981

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

NOTES TO THE FINANCIAL STATEMENTS  
*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*  
August 31, 2024

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

Nature of Activities

South Carolina Independent Colleges and Universities, Inc. (the “*Organization*”), located in Columbia, South Carolina, provides gifts to member colleges with funds received from various benefactors. The Organization receives dues from its member colleges to cover operating expenses.

The Organization’s programs consist of the following:

Named Scholars Program: Developed in 1994 to provide large donors the opportunity to support the academic success of students at some or all Organization member institutions. Scholarship criteria are identified by each donor, and campuses identify qualifying students who would not be able to attend college without donor support. For 2024 and 2023, there were 21 companies/Organizations/donors sponsored programs that provided \$396,001 and \$421,000, respectively, to more than 270 undergraduate students.

Student/Faculty Undergraduate Research Program: Developed in 1995 to provide quality undergraduate research experiences. This program funds student research proposals annually and organizes a symposium at which each student presents their findings. For 2024 and 2023, \$69,984 and \$107,519, respectively, was awarded to over 30 student/faculty research proposals for member colleges.

SCICU Student Lifeline Grants Program: This program was renamed the Student Lifelines Grants in 2020. This program gives campuses resources to provide student emergency funding and focuses on students facing unexpected economic peril where any assistance will greatly benefit them. For 2024 and 2023, there was \$141,000 and \$138,000 distributed to participating member institutions, respectively, benefiting more than 70 students.

Special Functions:

- SCICU Excellence in Teaching Award – in 2024, \$63,000 was given via the Excellence in Teaching Program as a \$3,000 professional development award to one faculty member from each member institution. This is done via a reception and an awards dinner.
- SCICU Sponsorships – creates opportunity for corporate support of Organization Programs.
- SCICU Business Partners Program – establishes a relationship with business and companies that desire to make SCICU member institutions aware of their goods and/or services.

Summary of Significant Accounting Policies

Basis of Accounting: The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such basis recognizes all revenues when received rather than when earned, and expenses when paid rather than in the period in which they are incurred. Accordingly, the accompanying

NOTES TO THE FINANCIAL STATEMENTS  
*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*

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

financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. If the Organization purchases an asset having an estimated useful life which extends beyond one year of acquisition, the expenditure is capitalized and depreciated over the estimated useful life of the asset. In addition, investment securities are recorded at fair value. As of August 31, 2024, the Organization also elected to show payroll expenses that were paid in August 2024 for September 2024 as prepaid expenses.

Annually, the Organization prepares checks for certain award programs by its fiscal year and holds the checks pending receipt of all complete information necessary for the award. The Organization's policy is to expense these payments in the year the check is prepared in order to properly match the expense with the year awarded. As of August 31, 2024 and 2023, these checks totaled \$396,001 and \$421,000, respectively.

Basis of Presentation: Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Trustees.
- *Net assets with donor restrictions:* Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time (that is, when a stipulated time restriction ends, or purpose restriction is accomplished). Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition: Gifts and awards, member college assessments and other support received are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and changes in net assets – modified cash basis as net assets released from restrictions. When a restriction expires in the same period in which the revenue was received, it is recorded as an increase to net assets without donor restrictions.

Cash and Cash Equivalents: The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less, to be cash equivalents. The carrying value of cash approximates fair value because of the short maturities of these financial instruments. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of bank balances that at times

NOTES TO THE FINANCIAL STATEMENTS  
*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*

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

may exceed federally insured limits. Management believes it is not exposed to any significant credit risk on its balances.

Investments: Investments are valued at fair value. Unrealized gains and losses are included as a change in net assets. For purposes of determining gross realized gains and losses, the cost of securities sold is based on historical cost. See Note E for additional information on fair value measurements.

Endowments: The Organization follows the Financial Accounting Standards Board issued Staff Position No. FAS 117-1 *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowed Funds* (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor- restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also requires disclosures about an organization's endowed funds whether or not the organization is subject to UPMIFA.

Property and Equipment: The Organization capitalizes, at cost, all expenditures for property and equipment in excess of \$500. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based on estimated useful lives of the assets which range from 3 to 39 years.

Use of Estimates: The preparation of the financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimate in these financial statements relate to the estimated useful life of fixed assets. Actual results could differ from those estimates.

Functional Allocation of Expenses: The costs of providing various programs and activities have been summarized on a functional basis in the statements of revenues, expenses and changes in net assets – modified cash basis and functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses are allocated based on management's estimate of time and effort. The remainder of expenses are allocated based on direct costs to programs or fundraising activities with the remainder allocated to management and general.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. Management is not aware of any transactions which would jeopardize their tax-exempt status. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and to recognize a tax liability (or asset) if the Organization has taken

NOTES TO THE FINANCIAL STATEMENTS  
 SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.

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

an uncertain position that more likely than not would not be substantiated upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of August 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. U.S. state jurisdictions have statutes of limitations that generally range from three to five years.

Subsequent Events: Subsequent events have been evaluated through January 23, 2025, which represents the date the financial statements were available to be issued.

NOTE B -- CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which at times may exceed federally insured limits. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has taken steps to collateralize cash balances over the FDIC limit to minimize their credit risk. The Organization's bank balance is detailed as follows indicating the credit risk exposure to the Organization at August 31:

	2024	2023
Cash on deposit, insured FDIC	\$ 584,333	\$ 487,445
Cash on deposit, collateralized	459,996	537,272
<b>TOTAL</b>	<b>\$ 1,044,329</b>	<b>\$ 1,024,717</b>

NOTE C -- INVESTMENTS

The fair value of investments is estimated based upon quoted market prices for those or similar investments. See note E for the discussion of fair value measurements. Investments consist of the following at August 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 41,410	\$ 41,410	\$ 56,953	\$ 56,953
Equity securities	1,284,463	1,675,493	1,422,377	1,598,129
Government securities	869,131	892,369	692,993	685,466
Mutual funds	708,492	829,601	891,962	958,643
Exchange traded funds	937,462	1,328,286	882,354	1,039,306
Fixed income securities	146,194	137,395	89,182	73,241
<b>TOTAL</b>	<b>\$ 3,987,152</b>	<b>\$ 4,904,554</b>	<b>\$ 4,035,821</b>	<b>\$ 4,411,738</b>

NOTES TO THE FINANCIAL STATEMENTS  
 SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.

NOTE C -- INVESTMENTS - Continued

Investment income consists of the following for the years ending August 31:

	2024	2023
Dividends and interest	\$ 122,763	\$ 124,838
Fees	(29,665)	(27,397)
Realized (gain) loss	34,324	(62,028)
Unrealized gain	528,915	222,735
TOTAL INVESTMENT INCOME, NET	<u>\$ 656,337</u>	<u>\$ 258,148</u>

NOTE D -- PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at August 31:

	2024	2023
Furniture and equipment	\$ 190,449	\$ 190,449
Less accumulated depreciation	(176,800)	(173,825)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	<u>\$ 13,649</u>	<u>\$ 16,624</u>

Depreciation expense was \$2,975 and \$3,664 for the years ended August 31, 2024 and 2023, respectively.

NOTE E -- FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB 820 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 Organization 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; and
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.



NOTES TO THE FINANCIAL STATEMENTS  
*SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.*

NOTE E -- FAIR VALUE MEASUREMENTS – Continued

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used as of August 31, 2024.

*Cash and Cash equivalents:* Valued at cost which approximates fair value.

*Equity securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*Mutual and exchange traded funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at the price. The mutual funds held by the Organization are deemed to be actively traded.

*Fixed income securities:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*The remainder of this page has been intentionally left blank*

NOTES TO THE FINANCIAL STATEMENTS  
 SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.

NOTE E -- FAIR VALUE MEASUREMENTS – Continued

The following tables set forth by level, within the fair value hierarchy, the Organization’s fair value measurements at August 31:

	Assets at Fair Value as of August 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 41,410	\$ -	\$ -	\$ 41,410
Equity securities	1,675,493	-	-	1,675,493
Government securities	755,936	136,433	-	892,369
Mutual funds	829,601	-	-	829,601
Exchange traded funds	1,328,286	-	-	1,328,286
Fixed income securities	-	137,395	-	137,395
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 4,630,726</b>	<b>\$ 273,828</b>	<b>\$ -</b>	<b>\$ 4,904,554</b>

	Assets at Fair Value as of August 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 56,953	\$ -	\$ -	\$ 56,953
Equity securities	1,598,129	-	-	1,598,129
Government securities	34,659	650,807	-	685,466
Mutual funds	958,643	-	-	958,643
Exchange traded funds	1,039,306	-	-	1,039,306
Fixed income securities	-	73,241	-	73,241
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 3,687,690</b>	<b>\$ 724,048</b>	<b>\$ -</b>	<b>\$ 4,411,738</b>

NOTE F -- ENDOWMENTS

Certain of the Organization’s investments have been contributed by donors as endowment funds. Net assets associated with the endowment are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Trustees of the Organization has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act (SCUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

In accordance with SCUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

NOTES TO THE FINANCIAL STATEMENTS  
 SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.

NOTE F -- ENDOWMENTS - Continued

1. The duration and preservation of the fund;
2. The purposes of the Organization and the 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; and
7. The investment policies of the Organization.

Endowment net asset composition by type of fund and changes in its net assets as of August 31 are as follows:

	August 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Endowment Net Assets	\$ 269,553	\$ 1,040,000	\$ 1,309,553
Unrealized and realized gains (loss), net	62,942	26,032	88,974
Appropriation for expenditure	(66,000)	(26,032)	(92,032)
ENDING ENDOWMENT NET ASSETS	<u>\$ 266,495</u>	<u>\$ 1,040,000</u>	<u>\$ 1,306,495</u>

  

	August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Endowment Net Assets	\$ 306,427	\$ 1,040,000	\$ 1,346,427
Unrealized and realized gains (loss), net	29,126	29,429	58,555
Appropriation for expenditure	(66,000)	(29,429)	(95,429)
ENDING ENDOWMENT NET ASSETS	<u>\$ 269,553</u>	<u>\$ 1,040,000</u>	<u>\$ 1,309,553</u>

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SCUPMIFA requires the Organization to retain as a fund of perpetual duration. Currently the Organization does not have any funds with deficiencies.

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce investment returns of at least 5% plus the consumer price index as of December 31 of each calendar year annually while assuming moderate level of investment risk.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a

NOTES TO THE FINANCIAL STATEMENTS  
 SOUTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES, INC.

NOTE F -- ENDOWMENTS - Continued

diversified asset allocation of 20-40% fixed income investments and 60-80% equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy: The Organization has a policy of appropriating for distribution each year 4.5% of its endowment fund's average fair value calculated using a three-year average. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 5% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE G -- OPERATING LEASE

The Organization maintains a lease on a copier. Lease expense totaled \$7,266 and \$7,126 for the years ended August 31, 2024 and 2023, respectively. The Organization's future minimum payments under the lease at August 31, 2024 are as follows:

2025	\$	1,350
	TOTAL \$	<u>1,350</u>

NOTE H -- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of August 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year.

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents	\$ 488,892	\$ 451,067
Investments	4,904,554	4,411,738
Total Financial Assets	<u>5,393,446</u>	<u>4,862,805</u>
Less those unavailable for general expenditure within one year, due to:		
Endowed funds – board designated and donor restricted	(1,306,495)	(1,309,553)
Net assets with donor restrictions – research grants and scholarships	<u>(553,749)</u>	<u>(620,572)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 3,533,202</u>	<u>\$ 2,932,680</u>

SUPPLEMENTARY INFORMATION

SCHEDULE OF GIFTS AND AWARDS DISTRIBUTED  
*SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.*

	For the Years Ended	
	August 31,	
	2024	2023
Allen University	\$ 28,690	\$ 25,500
Anderson University	44,246	44,596
Benedict College	38,926	41,120
Bob Jones University	35,767	44,030
Charleston Southern University	30,150	35,121
Clafin University	31,078	32,000
Coker University	36,752	37,993
Columbia College	27,743	33,953
Columbia International University	32,031	30,921
Converse University	35,797	49,772
Erskine College	26,243	32,187
Furman University	36,466	41,545
Limestone University	29,879	31,069
Morris College	25,642	20,000
Newberry College	26,612	31,524
North Greenville University	30,709	33,041
Presbyterian College	40,288	41,364
Southern Wesleyan University	30,391	30,622
Spartanburg Methodist College	25,523	27,913
Voorhees University	28,900	24,380
Wofford College	32,152	43,868
Total Gifts and Awards Distributed	<u>\$ 673,985</u>	<u>\$ 732,519</u>

SCHEDULE OF MEMBER COLLEGE ASSESSMENTS

*SOUTH CAROLINA INDEPENDENT COLLEGE AND UNIVERSITIES, INC.*

	For the Years Ended	
	August 31,	
	2024	2023
Allen University	\$ 10,909	\$ 10,688
Anderson University	59,651	58,653
Benedict College	17,902	18,253
Bob Jones University	36,328	36,883
Charleston Southern University	46,290	47,283
Clafin University	29,640	18,086
Coker University	21,506	22,306
Columbia College	23,651	22,951
Columbia International University	23,745	24,022
Converse University	23,898	23,547
Erskine College	20,912	20,826
Furman University	34,406	33,875
Limestone University	27,102	26,770
Morris College	9,798	9,512
Newberry College	27,433	26,309
North Greenville University	34,280	34,646
Presbyterian College	24,505	25,661
Southern Wesleyan University	21,737	22,563
Spartanburg Methodist College	26,458	26,136
Voorhees University	9,745	9,424
Wofford College	35,144	34,950
Total Member College Assessments	\$ 565,040	\$ 553,344