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**FINANCIAL STATEMENTS**  
**Trenholm Tech Foundation, Inc**  
*For the Year Ended September 30, 2005*  
*with Report of Independent Auditors*

**Trenholm Tech Foundation, Inc.**

**Financial Statements**

**For the Year Ended September 30, 2005**

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## Report of Independent Auditors

Board of Directors  
Trenholm Tech Foundation, Inc.

We have audited the accompanying balance sheet of the Trenholm Tech Foundation, Inc as of and for the year ended September 30, 2005, and the related statement of activity and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trenholm Tech Foundation, Inc. at September 30, 2005, and the related changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

June 27, 2006

A handwritten signature in cursive script that reads 'Dixon &amp; Co.'.

**Trenholm Tech Foundation, Inc.**  
**Statement of Financial Position**  
**For the Year Ended September 30, 2005**

	<u>September 30, 2005</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 38,946
Pledges receivable	4,525
<b>Total assets</b>	<u>43,471</u>
<b>Liabilities and net assets</b>	
<b>Net assets:</b>	
Unrestricted	—
Temporarily restricted	43,471
Permanently restricted	
<b>Total net assets</b>	<u>\$ 43,471</u>

*See accompanying notes.*

**Trenholm Tech Foundation, Inc.**

**Statement of Activity and Changes in Net Assets**

**For the Year Ended September 30, 2005**

	<b>Year ended September 30, 2005</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
<b>Revenues</b>				
Contributions	\$ 61,896	\$ -		\$ 61,896
<b>Total revenues</b>	<b>\$ 61,896</b>	<b>\$ -</b>		<b>\$ 61,896</b>
<b>Expenses</b>				
Program services				
Scholarships	1,770			1,770
Other	4,400			4,400
Professional services	4,215			4,215
Marketing	4,000			4,000
Supporting services				
Fundraising	25,516			25,516
General and Administrative	5,332			5,332
Service fees	639			639
<b>Total expenses</b>	<b>45,872</b>			<b>45,872</b>
<b>Change in net assets</b>	<b>16,024</b>			<b>16,024</b>
<b>Net assets - beginning of year</b>	<b>27,448</b>			<b>27,448</b>
<b>Net assets - end of year</b>	<b>\$ 43,472</b>			<b>\$ 43,472</b>

*See accompanying notes.*

**Trenholm Tech Foundation, Inc.**

**Statement of Cash Flows**

**For the Year Ended September 30, 2005**

	<u><b>September 30, 2005</b></u>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ 16,024
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Pledge Receivable	<u>(4,211)</u>
Net cash provided by operating activities	<u>11,813</u>
Net (decrease) increase in cash and cash equivalents	<u>11,813</u>
Cash and cash equivalents at beginning of year	<u>27,133</u>
Cash and cash equivalents at end of year	<u>\$ 38,946</u>

*See accompanying notes.*

# **Trenholm Tech Foundation, Inc.**

## **Notes to Financial Statements**

**September 30, 2005**

### **1. Organization and Significant Accounting Policies**

The Trenholm Tech Foundation, Inc. (the Foundation) was incorporated November 8, 2002 as a private, nonprofit organization. The Foundation provides community support and leadership for H. Council Trenholm State Technical College (the College) in the fulfillment of its mission. The Foundation seeks to provide support to the College by enhancing the academic vision and priorities of the College through its organized fundraising activities and funds management.

#### **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

#### **Net Asset Classifications**

The Foundation's net assets and its revenue, expenses, gains and losses are based on the existence or absence of donor imposed restrictions using three classifications: permanently restricted, temporarily restricted and unrestricted. These three classifications are defined as follows:

- Permanently restricted net assets contain donor-imposed restrictions that stipulate that resources be maintained permanently, but permit the Foundation to use, or expend part or all of the income derived from the donated assets for specified or unspecified purposes.
- Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation.
- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired.

**Trenholm Tech Foundation, Inc.**

**Notes to Financial Statements (continued)**

**1. Organization and Significant Accounting Policies (continued)**

**Pledges Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. The Foundation pledges are collected within one year and are recorded at their net realizable value.

**Cash and Cash Equivalents**

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and cash equivalents are deposited in Alabama banks with \$100,000 covered by federal depository insurance and the remaining balance uncollateralized.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income Tax Status**

The Foundation is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements.



**Trenholm Tech Foundation, Inc.**

**Notes to Financial Statements (continued)**

**2. Pledges Receivable**

The Foundation had pledges receivable totaling \$4,525 at September 30, 2005 which are unrestricted and are due as follows:

	<u>September 30, 2005</u>
Less than one year	\$ 4,525
Allowance for uncollectible pledges	-
	<u>\$ 4,525</u>