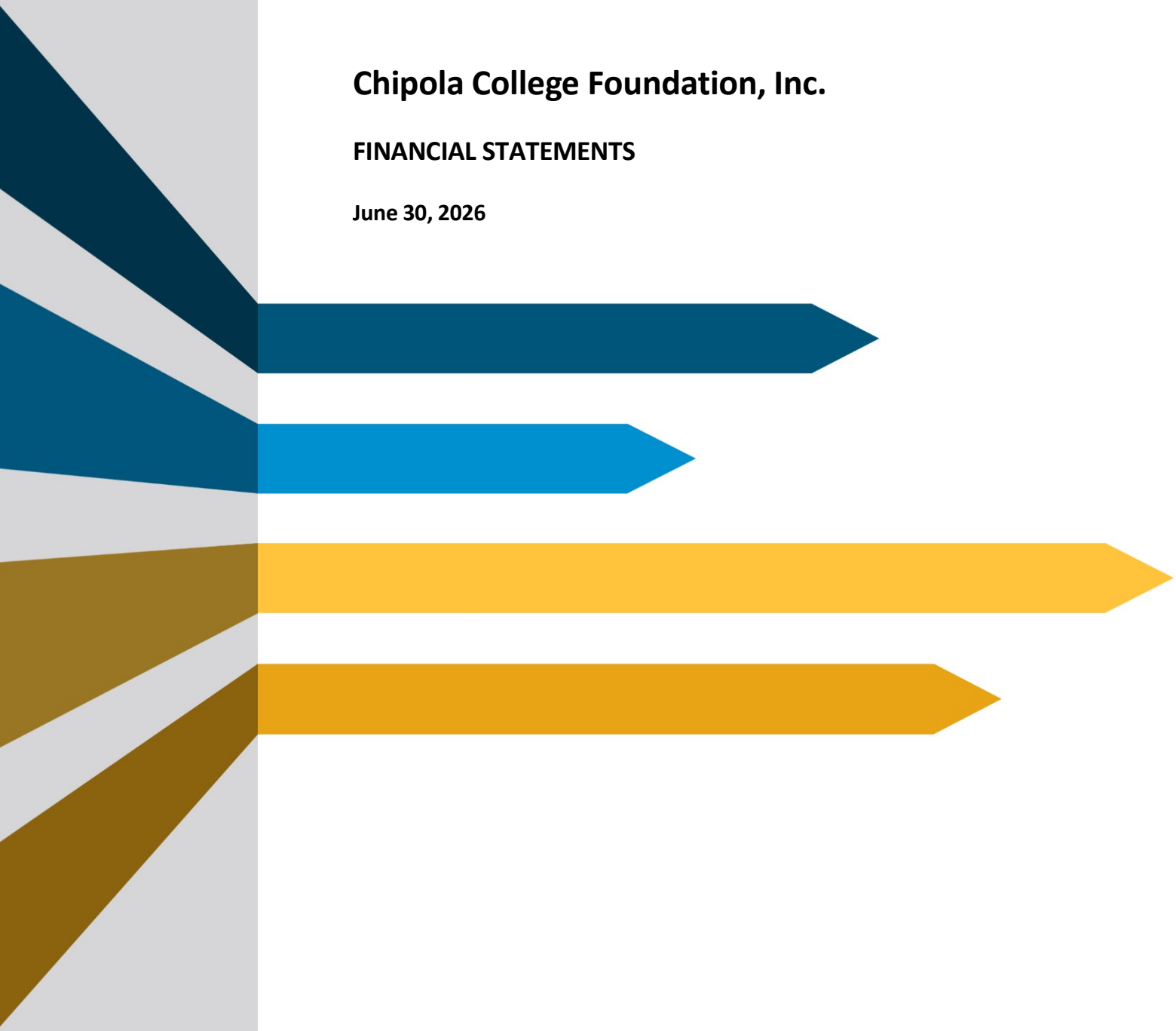
Chipola College Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2026



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REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chipola College Foundation, Inc.
Chipola College
Marianna, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chipola College Foundation, Inc., (the Foundation), a discretely presented component unit of Chipola College, as of and for the year ended June 30, 2026, and the related notes to the financial statements which collectively comprise the Foundation's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statement of net position of the Foundation as of June 30, 2026, and the respective statements of revenues, expenses and changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Foundation'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 Foundation'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.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

August 13, 2026

FINANCIAL STATEMENTS

Chipola College Foundation, Inc.
Statement of Net Position

June 30,		**2026**
Assets		
Current assets		
Cash and cash equivalents	$	398,326
Investments		6,100,685
Total current assets		6,499,011
Other assets		
Restricted cash and cash equivalents		7,495,493
Restricted investments		18,240,521
Prepaid College Tuition Plans		214,744
Other assets		3,549
Total other assets		25,954,307
Total assets		32,453,318
Liabilities		
Current liabilities		
Accounts payable		26,140
Total current liabilities		26,140
Net position		
Unrestricted		6,567,474
Expendable restricted		16,924,690
Nonexpendable restricted		8,935,014
Total net position	$	32,427,178

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

Chipola College Foundation, Inc.
Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30,		**2026**
Operating revenues		
Contributions	$	660,434
Other support		546,536
Total operating revenues		1,206,970
Operating expenses		
Student support - books and tuition		1,195,335
Management and general		360,528
Contributions to Chipola College		451,005
Investment management fees		148,886
Other special projects and miscellaneous		58,025
Recruiting		32,000
Total operating expenses		2,245,779
Operating (loss)		(1,038,809)
Non-operating revenues		
Dividend and interest income		773,396
Net realized and unrealized gains(losses) on investments		2,589,789
Total non-operating revenues		3,363,185
Change in unrestricted net position		2,324,376
Contributions to nonexpendable restricted endowments		720,206
Change in net position		3,044,582
Net position at the beginning of year		29,382,596
Net position at end of year	$	32,427,178

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

Chipola College Foundation, Inc.
Statement of Cash Flows

For the year ended June 30,	**2026**
Operating activities	
Amounts received from donors	$ 660,434
Amounts received from others	272,095
Cash paid to vendors and others	(1,910,667)
Net cash provided by (used in) operating activities	(978,138)
Investing activities	
Purchase of investment securities	(12,223,543)
Proceeds from redemption of investments	14,462,868
Dividends and interest	773,396
Net cash provided by (used in) investing activities	3,012,721
Noncapital financing activities	
Contribution to nonexpendable endowments	720,206
Net cash provided by (used in) noncapital financing activities	720,206
Net increase in cash and cash equivalents	2,754,789
Cash and cash equivalents, beginning of year	5,139,030
Cash and cash equivalents, end of year	$ 7,893,819
Reconciliation of operating (loss) to net cash used in operating activities:	
Operating (loss)	$ (1,038,809)
Adjustment to reconcile operating (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Other assets	59,381
Increase (decrease) in:	
Accounts payable	1,290
Net cash used in operating activities	$ (978,138)
Reconciliation of cash and cash equivalents to the statement of net position	
Cash and cash equivalents	$ 398,326
Restricted cash and cash equivalents	7,495,493
Total cash and cash equivalents	$ 7,893,819
Schedule of noncash investing and financing activities	
Change in market value of investments	$ (786,081)

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

Note 1: NATURE OF OPERATIONS

The Chipola College Foundation, Inc. (the Foundation) was established July 1, 1980. The Foundation is a direct support organization (DSO) of Chipola College. The purpose of the Foundation is to encourage and administer donations for the benefit of the college and to generally promote the interests of Chipola College. The Foundation includes activities of the Chipola Appreciation Club and the Chipola Regional Arts Association (C.R.A.A.).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In defining the Foundation for financial reporting purposes, management has applied the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *the Financial Reporting Entity: Omnibus*. These statements establish the standards for defining and reporting on the financial reporting entity and whether it is considered a component unit of another entity. The Foundation would be a component unit of another entity if it is financially accountable to that unit. Financial accountability occurs when an entity appoints a voting majority of the board of the potential component unit and 1) is able to impose its will on the potential component unit or 2) is in a relationship of financial benefit or burden with the potential component unit. An entity would also be considered financially accountable if the potential component unit is fiscally dependent and there is a financial benefit or burden relationship, regardless of whether the entity appoints the voting majority of the potential component unit's board. The Foundation has met all of the financial accountability criteria necessary to be considered a component unit of Chipola College.

Basis of Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with government accounting principles generally accepted in the United States of America for business type activities, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with a maturity when acquired of 90 days or less.

Restricted Assets

Restricted assets consist of cash, cash equivalents, and investments which are required to be set aside for specific purposes and are therefore unavailable for general operating purposes. When both restricted and unrestricted net assets are available, restricted assets are applied first.

Promise to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2026, there were no unconditional promises to give.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values, as reported by the applicable stock exchange listings, in the statement of net position. Unrealized gains and losses are included in the statement of revenues, expenses, and changes in net position.

Investments in land and timber are donated property held for investment purposes and are recorded at fair market value as of June 30, 2026, which has been determined by an independent appraiser based on market transactions for similar property.

Prepaid College Tuition Plans

The Foundation is the owner of prepaid college tuition plans purchased from the Florida Prepaid College Board. The amounts are recorded at cancellation value and reduced/expensed as used by the beneficiary.

Net Position

The classifications of net position are divided into three components – invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows:

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (continued)

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. The Foundation had no net assets invested in capital assets, net of related debt at June 30, 2026.
- Restricted – This component of net position consists of restrictions placed on net assets through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by laws through constitutional provision or enabling legislation. Restricted net position is subdivided into expendable (restriction able to be satisfied) and nonexpendable (restriction in place for perpetuity) net position.
- Unrestricted – This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenue Recognition

Annual Appreciation Club memberships are recognized as revenue when received. Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are contributions without donor restrictions in the statement of revenues, expenses, and changes in net position.

Donated Assets

Donated assets and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions as the recognition criteria was not met. There were no donated services recognized as contributions for the year ended June 30, 2026.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Operating Revenues and Expenses

The statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues. For this purpose, operating revenues result from transactions associated with the principal activities of the Foundation. Non-operating revenues arise from transactions not associated with the Foundation's principal activities.

Income Taxes

The Foundation is a not-for-profit organization exempt from income taxes, except on unrelated business income, under Internal Revenue Code Section 501(c)(3). The Foundation has been classified by the Internal Revenue Service as a publicly supported foundation. Accordingly, no provision for income taxes has been recorded.

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2026, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 13, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent and Future Accounting Pronouncements

Management considered and implemented as applicable the following accounting pronouncements that became effective during the year ended June 30, 2026:

In April 2024, the GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent and Future Accounting Pronouncements (continued)

The requirements of this Statement were effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

There were no significant impacts of implementing these Statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In December of 2025, the GASB issued GASB Statement No. 105, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

The Organization is evaluating the requirements of the above statements and the impact on reporting.

Note 3: INVESTMENTS

Investments shall be made solely in the interest of providing for the needs and activities of the Foundation and for the purpose of providing long-term total return at a reasonable level of risk (volatility). An important objective is attaining “real,” after inflation, growth in the Fund over a market cycle consistent with the level of risk assumed.

Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so.

Investment manager(s) retained will be given full investment discretion consistent with the investment objectives and guidelines provided regarding the purchase and sale of individual securities. The Directors acknowledge that while the investment manager(s) expects to meet these objectives, there is no guarantee they can be achieved. The value and related income of the investments held by the Foundation are sensitive to changes in economic conditions. Accordingly, investment values may be subject to risks by shifts in the market’s perception of the issuers and changes in interest rates.

Note 3: INVESTMENTS (Continued)

Carrying values of investments at June 30, 2026 were as follows:

Investments		Market Value
Domestic equities	$	11,688,416
Mutual funds		8,008,302
Foreign equities		3,122,417
Certificates of deposits		217,071
Land and timber		1,305,000
Total investments	$	24,341,206

The total realized gain on the sale/redemption of investments was $3,375,870 for the year ended June 30, 2026. There were unrealized losses of $786,081 on investments for the year ended June 30, 2026.

Investments at June 30, 2026 are presented on the statement of net position as follows:

Investments		Market Value
Restricted investments	$	18,240,521
Investments		6,100,685
Total investments	$	24,341,206

The Foundation's investment portfolio includes holdings in land and timber located in Calhoun County, Florida. The value of land and timber was estimated by an independent appraiser at $1,305,000 at June 30, 2026.

Custodial Credit Risk

Custodial risk is the risk that in the event of bankruptcy of the custodial entity, the Foundation's deposits may not be returned to it. The Foundation's investment policy does not address custodial credit risk. As of June 30, 2026, none of the Foundation's money market and short term investment accounts were exposed to uninsured and uncollateralized custodial credit risk. At June 30, 2026, all investments were registered in the name of Chipola College Foundation, Inc. and were held in the possession of the investment firms as custodians.

Note 3: INVESTMENTS (Continued)

Interest Rate Risk

The Foundation's investment policy does not address limits on investment maturities as a means of managing its exposures to fair value losses arising from increasing interest rates. However, current investments of the Foundation do not include debt securities.

Credit Risk

The Foundation's investment policy does not limit its investment choices as it relates to credit ratings. However, current investments of the Foundation do not include debt securities.

Foreign Currency Risk

The Foundation holds $3,122,417 in various foreign equities and mutual funds as of Jun 30, 2026. The foreign holdings account for approximately 13% of the Foundation's total investments. The Foundation's investment policy does not limit its investment choices as it relates to foreign equities.

Concentration of Credit Risk

The Foundation places no limit on the amount invested in any one issuer. The Foundation's largest concentrations of investments are held in Bridge Builder Core Plus Bond which represents 16.11% of total investments, Bridge Builder Core Bond which represents 13.13% of total investments, American Moderate Growth and Income Portfolio Class A which represents 7.04% of total investments, and First Eagle Global Fund Class A Fund which represents 4.99% of total investments.

Note 4: NET POSITION FUNCTIONING AS AN ENDOWMENT

Certain components of net position are functioning as an endowment but are not subject to permanent donor imposed restrictions. Unrestricted net position totaling $1,696,400 is functioning as an endowment at the discretion of the Board of Directors. These assets are subject to Board imposed restrictions and the income derived from them is made available for Foundation use.

Note 5: ENDOWMENTS

The Foundation's endowment consists of donor-restricted funds. As required by generally accepted accounting principles, net position associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Foundation is governed by Florida Statute Chapter 617.2104 - Florida Uniform Prudent Management of Institutional Funds Act. The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted in the State of Florida during the 2011 legislative session and had an effective date of July 1, 2012. Unless a donor imposes a restriction to the contrary, all endowment funds at the Foundation adhere to the spending policy adopted by the Foundation's Board of Directors. Florida Statute does not require preservation of the fair value of the original gift, but rather specifically states that spending may include investment appreciation as well as principle.

Spending Policy - The Foundation board adopted a spending policy for endowed scholarship accounts. Actual dividends and interest are posted to the scholarship accounts and made available for spending. This amount represents accumulated earnings on endowed donations and other expendable restricted gifts that are available to be spent at the board's discretion in accordance with the endowment's purpose. With regard to donor-restricted endowments, the Foundation respects and enforces the donor's restriction to preserve the historic gift value of the fund.

Endowments consist of the following:

	Expendable restricted	Nonexpendable restricted
Endowment net assets, July 1, 2025	$ 14,169,547	$ 9,112,421
Investment income	619,732	-
Net realized and unrealized gains (losses)	1,913,415	-
Contributions and other support	934,876	720,206
Appropriation of endowment assets for expenditure	(1,600,330)	2,452
Transfers between restricted net position classifications	887,450	(900,065)
Endowment net assets, June 30, 2026	$ 16,924,690	$ 8,935,014

Note 6: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Note 6: FAIR VALUE MEASUREMENTS (Continued)

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
  - can be corroborated by observable market data.

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 measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Domestic and foreign equities: Valued at the daily closing price as reported by the fund. The exchange-traded & closed-end funds held by the Foundation are deemed to be actively traded.

Certificates of deposit: 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.

Land and timber: Determined based on an independent appraisal based on market transactions for similar property.

Note 6: FAIR VALUE MEASUREMENTS (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The fair values of investments at June 30, 2026 were classified as follows:

Investments	Fair Value Level
Domestic equities	Level 1
Mutual funds	Level 1
Foreign equities	Level 1
Certificates of deposit	Level 1
Land and timber	Level 2

Note 7: RISK MANAGEMENT PROGRAMS

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Property and directors and officers coverage are provided through commercial carriers. Management continuously reviews the limits of coverage and believes that current coverage is adequate. There were no significant reductions in insurance coverage from the previous year.

Note 8: RELATED PARTIES

The Foundation rents office space from Chipola College (the College), under an open-ended lease, for a monthly rental payment of $275 per month plus 30% of the monthly utility costs. This lease agreement became effective May 1995. The Foundation’s staff members are employed by the College. These amounts are reflected in the Foundation's financial statements. The Foundation contributes funds to the College for the purchase of educational equipment and to provide other benefits to the students at Chipola College.

Note 8: RELATED PARTIES (Continued)

A Chipola College Appreciation Club board member is an agent representing a firm that holds Appreciation Club investments. This relationship will generate commissions paid to the individual from time to time. Management has represented that these commissions are governed by the same terms as any other similar arrangement with an unrelated party. The amount of investments managed by this individual represents approximately 7% of the Foundation’s total investments.

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Chipola College Foundation, Inc.
Chipola College
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chipola College Foundation, Inc., (the Foundation), a discretely presented component unit of Chipola College, which comprise the statement of net position as of June 30, 2026, and related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated August 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2004-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

2004-1 – Segregation of Duties

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Foundation's assets.

CAUSE: The Foundation has a limited staff.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the small size of the Foundation's staff, certain incompatible duties will be performed by the same staff member and that it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to.

The Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying letter. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

August 13, 2026

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August 13, 2026

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To Whom It May Concern:

In response to the Independent Auditor's *Report on Internal Control Over Financial Reporting* for the fiscal year 2025-2026, I want to address the comment regarding segregation of duties.

Due to a three-person staff working at the Chipola College Foundation, it is not possible to have complete segregation of duties. It is not possible to have all aspects of opening mail, receiving donations, preparing deposits, taking deposits to the bank and the actual accounting without having some overlap in duties. With this in mind, staff makes every effort to segregate the process as much as possible. The Chipola College Foundation Board of Directors is aware of the segregation of duties issue and maintains involvement with the financial affairs of the Foundation.

Sincerely,

Julie A. Fuqua
Executive Director