Thurgood Marshall College Fund and Affiliates

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2025 and 2024

Thurgood Marshall College Fund and Affiliates

Consolidated Financial Statements
December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Thurgood Marshall College Fund and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Thurgood Marshall College Fund and Affiliates (collectively, "the Organization"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024; the related consolidated statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Consolidated Financial Statements (continued)

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

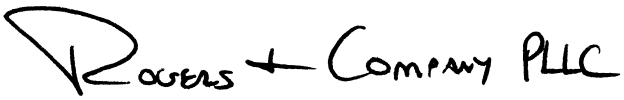
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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 29-30 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



McLean, Virginia
July 20, 2026

Thurgood Marshall College Fund and Affiliates

Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 45,087,281	$ 68,250,310
Accounts receivable	1,233,424	887,260
Grants and contributions receivable, net	9,530,044	20,674,796
Investments	131,488,116	50,925,242
Right-of-use asset – operating lease	-	93,302
Deferred compensation asset	1,794,315	2,288,067
Total assets	$ 189,133,180	$ 143,118,977
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 6,308,444	$ 1,729,930
Lease liability – operating lease	-	102,249
Deferred compensation liability	1,794,315	2,288,067
Total liabilities	8,102,759	4,120,246
Net Assets		
Without donor restrictions:		
Undesignated	63,370,253	12,693,225
Board-designated reserve fund	42,995,612	37,429,007
Total without donor restrictions	106,365,865	50,122,232
With donor restrictions:		
Purpose restrictions	72,454,715	86,858,561
Endowments	2,209,841	2,017,938
Total with donor restrictions	74,664,556	88,876,499
Total net assets	181,030,421	138,998,731
Total liabilities and net assets	$ 189,133,180	$ 143,118,977

See accompanying notes.

Thurgood Marshall College Fund and Affiliates

Consolidated Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Grants and contributions	$ 85,446,612	$ 26,921,321	$ 112,367,933
Government grants	131,274	-	131,274
In-kind contributions	8,000,000	-	8,000,000
Registration fees	161,050	-	161,050
Contract income	580,250	-	580,250
Interest income	2,487,754	191,903	2,679,657
Other income	92,813	-	92,813
Released from restrictions:			
Satisfaction of program restrictions	41,325,167	(41,325,167)	-
Total operating revenue and support	138,224,920	(14,211,943)	124,012,977
Expenses			
Program services	68,692,454	-	68,692,454
Supporting services:			
Management and general	13,491,810	-	13,491,810
Development	3,706,722	-	3,706,722
Total supporting services	17,198,532	-	17,198,532
Total expenses	85,890,986	-	85,890,986
Change in Net Assets from Operations	52,333,934	(14,211,943)	38,121,991
Non-Operating Activities			
Unrealized gain on investments	3,334,303	-	3,334,303
Realized gain on investments	718,505	-	718,505
Investment fees	(143,109)	-	(143,109)
Change in Net Assets	56,243,633	(14,211,943)	42,031,690
Net Assets, beginning of year	50,122,232	88,876,499	138,998,731
Net Assets, end of year	$ 106,365,865	$ 74,664,556	$ 181,030,421

See accompanying notes.

Thurgood Marshall College Fund and Affiliates

Consolidated Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Grants and contributions	$ 41,035,623	$ 43,474,031	$ 84,509,654
In-kind contributions	6,350,000	-	6,350,000
Registration fees	265,150	-	265,150
Membership fees	67,500	-	67,500
Contract income	983,200	-	983,200
Interest income	1,471,393	63,602	1,534,995
Other income	101,189	-	101,189
Released from restrictions:			
Satisfaction of program restrictions	34,233,367	(34,233,367)	-
Total operating revenue and support	84,507,422	9,304,266	93,811,688
Expenses			
Program services	60,523,674	-	60,523,674
Supporting services:			
Management and general	12,513,800	-	12,513,800
Development	2,594,324	-	2,594,324
Total supporting services	15,108,124	-	15,108,124
Total expenses	75,631,798	-	75,631,798
Change in Net Assets from Operations	8,875,624	9,304,266	18,179,890
Non-Operating Activities			
Unrealized gain on investments	1,458,321	51,808	1,510,129
Realized gain on investments	791,316	2,935	794,251
Investment fees	(129,326)	(6,558)	(135,884)
Change in Net Assets	10,995,935	9,352,451	20,348,386
Net Assets, beginning of year	39,126,297	79,524,048	118,650,345
Net Assets, end of year	$ 50,122,232	$ 88,876,499	$ 138,998,731

See accompanying notes.

Thurgood Marshall College Fund and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Development	Total Supporting Services	Total Expenses
Salaries and fringe benefits	$ 5,354,107	$ 8,565,424	$ 1,141,647	$ 9,707,071	$ 15,061,178
Travel and conferences	10,626,510	946,175	1,499,099	2,445,274	13,071,784
Scholarships and awards	35,154,156	-	1,208	1,208	35,155,364
Consultants and professionals	6,660,245	1,464,597	598,126	2,062,723	8,722,968
Promotion and advertising	1,058,820	252,255	288,578	540,833	1,599,653
Rent	273,886	216,292	-	216,292	490,178
Technology	766,545	1,080,456	72,656	1,153,112	1,919,657
Staff development	247,629	403,743	30,833	434,576	682,205
Office expense and supplies	536,943	269,475	73,524	342,999	879,942
Miscellaneous	13,613	213,261	1,051	214,312	227,925
Insurance	-	80,132	-	80,132	80,132
In-kind expense	8,000,000	-	-	-	8,000,000
Total Expenses	$ 68,692,454	$ 13,491,810	$ 3,706,722	$ 17,198,532	$ 85,890,986

See accompanying notes.

Thurgood Marshall College Fund and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Development	Total Supporting Services	Total Expenses
Salaries and fringe benefits	$ 7,383,464	$ 5,350,595	$ 1,587,274	$ 6,937,869	$ 14,321,333
Travel and conferences	11,575,853	938,036	251,469	1,189,505	12,765,358
Scholarships and awards	26,606,643	27,490	6,000	33,490	26,640,133
Consultants and professionals	4,050,981	587,689	542,594	1,130,283	5,181,264
Promotion and advertising	2,015,490	198,302	66,473	264,775	2,280,265
Rent	121,307	378,530	-	378,530	499,837
Technology	1,072,856	703,979	78,961	782,940	1,855,796
Staff development	416,684	231,253	22,133	253,386	670,070
Office expense and supplies	617,088	157,556	39,420	196,976	814,064
Miscellaneous	285,071	142,651	-	142,651	427,722
Insurance	28,237	87,871	-	87,871	116,108
Bad debt	-	3,709,848	-	3,709,848	3,709,848
In-kind expense	6,350,000	-	-	-	6,350,000
Total Expenses	$ 60,523,674	$ 12,513,800	$ 2,594,324	$ 15,108,124	$ 75,631,798

See accompanying notes.

Thurgood Marshall College Fund and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 42,031,690	$ 20,348,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in allowance for uncollectible grants and contributions	(1,905,189)	3,581,430
Change in discount on multi-year grants and contributions receivable	(536,054)	536,054
Net realized and unrealized gain on investments	(4,052,808)	(2,304,380)
Donated stocks	(89,025)	(40,969)
Contributions restricted for endowment	-	(150,000)
Amortization of right-of-use asset – operating lease	93,302	370,567
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(346,164)	(847,758)
Government grants receivable	-	1,546,886
Grants and contributions receivable	13,585,995	(1,657,794)
Prepaid expenses and other assets	-	44,061
Deferred compensation asset	493,752	(80,608)
Increase (decrease) in:		
Accounts payable and accrued expenses	4,578,514	(973,480)
Lease liability – operating lease	(102,249)	(403,858)
Deferred compensation liability	(493,752)	80,608
Net cash provided by operating activities	53,258,012	20,049,145
Cash Flows from Investing Activities		
Purchase of investments	(90,132,944)	(10,634,921)
Proceeds from sale of investments	13,711,903	9,532,672
Net cash used in investing activities	(76,421,041)	(1,102,249)
Cash Flows from Financing Activity		
Contributions restricted for endowment	-	150,000
Net cash provided by financing activity	-	150,000
Net (Decrease) Increase in Cash and Cash Equivalents	(23,163,029)	19,096,896
Cash and Cash Equivalents, beginning of year	68,250,310	49,153,414
Cash and Cash Equivalents, end of year	$ 45,087,281	$ 68,250,310
Supplementary Disclosure of Non-Cash Operating and Financing Activity		
Donated stocks	$ 89,025	$ 40,969

See accompanying notes.

1. Nature of Operations

The Thurgood Marshall College Fund (TMCF) was organized in 1987 as a not-for-profit organization that provides scholarships, leadership training, and career development. TMCF also promotes student development and programmatic and capacity-building support to students who attend any of the forty-seven (47) historically black public colleges and universities (HBCU) that it serves. Member colleges and universities receive scholarships and programmatic and capacity-building grants from TMCF. TMCF also provides donor-restricted funds to colleges from workplace campaigns and grants and contributions from corporations, foundations, and individual donors.

Opportunity Funding Corporation, Inc. (OFCI) was created in 1984 by Opportunity Funding Corporation (OFC) to serve as the financing vehicle for the hundreds of minority entrepreneurs who have successfully launched business enterprises nationwide. Pursuant to an Agreement and Plan of Merger, OFC was merged into TMCF, effective August 30, 2013. As part of the merger, TMCF acquired OFC's wholly-owned interest in its subsidiary OFCI.

On January 19, 2016, TMCF founded TM2 Search, LLC (TM2), a limited liability company, under the laws of Delaware, to identify, match, and support the unique leadership needs of the Black College Community. TM2's sole member is TMCF, and its vision is to build sustainable institutions by identifying and supporting creative and competent leadership.

2. Summary of Significant Accounting Policies

Principles of Consolidation

TMCF's financial statements have been consolidated with those of OFCI and TM2 (collectively, "the Organization"). All significant intercompany balances and transactions have been eliminated in consolidation. As a wholly-owned subsidiary, any dividends paid by OFCI are netted against TMCF's investment in OFCI, with the net investment eliminated in consolidation. As a single-member managed liability company with TMCF as its sole member, TM2 is included in the accompanying consolidated financial statements.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation

The Organization's consolidated financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, a reserve fund set aside for operating reserves.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety (90) days or less at the time of purchase. Excluded from this definition are amounts held for investments.

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are recorded at net realizable value. All amounts are collectible within one year and are recorded at net realizable value. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

However, no allowance for credit losses is provided, as the Organization historically had insignificant write-offs due to bad debts, and current conditions indicate all receivables are fully collectible. Therefore, no allowance for credit losses has been recognized.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. Grants and contributions receivable are reflected at either net realizable value or at net present value based on projected cash flows. Amounts receivable in more than one year are discounted at a rate that considers market and credit risk. Management determines the allowance for uncollectible grants and contributions receivable by specific identification and by using historical experience. The allowance for uncollectible grants and contributions receivable was $2,476,214 and $4,381,403 at December 31, 2025 and 2024, respectively.

Investments

Investments are recorded at fair value. Fair value is determined based on quoted market prices, when available, or based on observable inputs or other valuation techniques. Interest and dividends, and realized and unrealized gains and losses, net of investment fees, are included in the accompanying consolidated statements of activities.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment purchased at a cost of $5,000 or more are capitalized and recorded at cost. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed as incurred.

Property and equipment are depreciated or amortized on a straight-line basis over their estimated useful lives as follows:

Office equipment	7 years
Furniture and fixtures	10 years
Computer hardware	7 years
Computer software	5 years

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating lease is included in the right-of-use (ROU) assets, which represent the Organization's right to use an underlying asset for the lease terms, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The Organization made an accounting policy election under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases,* not to recognize ROU assets and lease liabilities for short-term leases with a term of 12 months or less. The Organization has elected to separately account for lease and non-lease components and did not elect the practical expedient to combine them.

The ROU assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized in a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor 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 consolidated statements of activities as net assets released from restrictions.

The Organization receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. The Organization discounts the promises to give using an appropriate discount rate over the contribution period, if material.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Additionally, the Organization has agreements with various government agencies. These agreements contain substantial conditions that must be met prior to recognition of revenue. The donor-imposed conditions primarily consist of qualifying expenditures that must be incurred by the Organization before the governmental agencies will reimburse those expenditures. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program. Costs incurred in excess of cash received are reflected as government grants receivable in the accompanying consolidated statements of financial position. There was no refundable advance as of December 31, 2025 and 2024.

Contributions with donor restrictions to the endowment corpus are invested in perpetuity by or on the Organization's behalf. The principal of the gift is never expended, while the investment return is spent on current restricted or unrestricted programs as specified by the donor.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the consolidated statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Registration fees for meetings, conferences, and events are recognized in the period the events are held. Amounts received in advance are reflected as deferred conference revenue in the accompanying consolidated statements of financial position.

Membership fees are recognized as revenue ratably over the applicable membership fees period. Fees received that are applicable to the following period are reflected as deferred membership dues in the accompanying consolidated statements of financial position.

Accounts receivable was $39,502 at January 1, 2024.

There were no contract liabilities arising from contracts with customers at December 31, 2025, 2024, or January 1, 2024.

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying consolidated statements of activities as in-kind contributions. In-kind contributions are recognized as revenue and expense in the accompanying consolidated statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used. In-kind contributions consist of contributed advertising service totaling $8,000,000 and $6,350,000 for the years ended December 31, 2025 and 2024, respectively, and are used in program services.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Promotion and Advertising Costs

The Organization expenses promotion and advertising costs as incurred. These expenses totaled $1,599,653 and $2,280,265 for the years ended December 31, 2025 and 2024, respectively.

Measure of Operations

Realized and unrealized gain and loss on investments, and investment fees, are considered non-operating activities. The Organization does not consider these items to be part of normal operating activities and, accordingly, separately identifies them in the accompanying consolidated statements of activities.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 20, 2026, the date the consolidated financial statements were available to be issued.

3. Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover its general expenditures. Management periodically reviews the Organization's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operating liquidity needs are invested in various short-term and highly liquid securities. Additionally, the Organization considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Excluded from total available for general expenditures is the portion of the endowments that is donor-restricted and held in perpetuity.

3. Liquidity and Availability (continued)

Financial assets that are available for general expenditures within one year of the consolidated statements of financial position date comprise the following at December 31:

	2025	2024
Cash and cash equivalents	$ 45,087,281	$ 68,250,310
Accounts receivable	1,233,424	887,260
Grants and contributions receivable, current portion	9,530,044	18,910,690
Short-term investments	123,760,524	39,904,660
Less: endowment corpus restricted by donors in perpetuity	(2,200,000)	(2,200,000)
Total available for general expenditures	$ 177,411,273	$ 125,752,920

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

For the years ended December 31, 2025 and 2024, a substantial portion of the Organization's operating revenue was generated from a small number of donors. For the year ended December 31, 2025, $70,000,000 was received from one donor, and for the year ended December 31, 2024, $25,000,000 was received from one donor. These contributions totaled 56% and 27% of the Organization's total operating revenue and support for the years ended December 31, 2025 and 2024, respectively.

5. Investments and Fair Value Measurements

The Organization follows FASB ASC 820, *Fair Value Measurement,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The Organization invests in government obligation, corporate obligation, municipal bonds, and mortgage backed securities. The fair values of these investments are determined using quoted prices for identical or similar instruments in markets that are not active and other observable inputs, such as benchmark yields, reported trades, broker/dealer quotes, and interest rate yield curves. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs in accordance with FASB ASC 820, *Fair Value Measurement.* Because the valuations do not rely on unadjusted quoted prices for identical instruments in active markets, these investments are classified within Level 2 of the fair value hierarchy.

The Organization holds investments in certain alternative investment funds that do not have readily determinable fair values. The fair values of these investments are estimated using the net asset value ("NAV") per share, as reported by the funds' administrators, as a practical expedient. In accordance with FASB ASC 820, investments measured at NAV as a practical expedient are not classified within the fair value hierarchy; the amounts presented in the tables below are included to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

5. Investments and Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2025:

	Level 1	Level 2	Level 3	NAV	Total fair value
Money market funds	$ 74,443,925	$ -	$ -	$ -	$ 74,443,925
Common stocks	24,039,128	-	-	-	24,039,128
Alternative investments	-	-	-	3,469,072	3,469,072
Mutual funds	15,209,740	-	-	-	15,209,740
Exchange-traded fund	1,559,835	-	-	-	1,559,835
Fixed income:					
Government obligation	-	4,341,295	-	-	4,341,295
Corporate obligation	-	2,691,188	-	-	2,691,188
Municipal bonds	-	180,581	-	-	180,581
Mortgage backed securities	-	559,712	-	-	559,712
Domestic mutual funds	4,993,640	-	-	-	4,993,640
Total investments	$ 120,246,268	$ 7,772,776	$ -	$ 3,469,072	$ 131,488,116

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	NAV	Total fair value
Money market funds	$ 3,129,364	$ -	$ -	$ -	$ 3,129,364
Common stocks	20,413,748	-	-	-	20,413,748
Alternative investments	-	-	-	3,359,457	3,359,457
Mutual funds	10,688,449	-	-	-	10,688,449
Exchange-traded fund	1,288,942	-	-	-	1,288,942
Fixed income:					
Government obligation	-	3,512,584	-	-	3,512,584
Corporate obligation	-	1,857,335	-	-	1,857,335
Municipal bonds	-	171,101	-	-	171,101
Mortgage backed securities	-	741,822	-	-	741,822
Domestic mutual funds	5,762,440	-	-	-	5,762,440
Total investments	$ 41,282,943	$ 6,282,842	$ -	$ 3,359,457	$ 50,925,242

5. Investments and Fair Value Measurements (continued)

The following table summarizes the nature, redemption terms, and unfunded commitments of investments measured at NAV as a practical expedient as of December 31:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
2025:				
Abbey Capital Multi-Manager Fund Limited	$ 1,707,330	$ -	Monthly	Monthly
North Rock Fund, Limited	1,761,742	-	Monthly	90 days
Total investments based on NAV	$ 3,469,072	$ -		
2024:				
Abbey Capital Multi-Manager Fund Limited	$ 1,736,174	$ -	Monthly	Monthly
North Rock Fund, Limited	1,623,283	-	Monthly	90 days
Total investments based on NAV	$ 3,359,457	$ -		

Abbey Capital Multi-Manager Fund Limited is a Bermuda open-ended investment fund that invests substantially all of its assets in the ACL Alternative Fund, which allocates capital across a diversified portfolio of managed futures trading advisors employing primarily trend-following and other systematic strategies across global futures, foreign exchange, and related markets.

North Rock Fund, Limited is a Cayman Islands open-ended investment company that invests substantially all of its assets in North Rock Master Fund, Limited, which allocates capital across multiple portfolio managers employing fundamentally-based long/short equity strategies in U.S. and international markets, with the objective of maintaining low net exposure to global equity markets.

5. Investments and Fair Value Measurements (continued)

Net investment return consists of the following for the years ended December 31:

	2025	2024
Interest income	$ 2,679,657	$ 1,534,995
Unrealized gain	3,334,303	1,510,129
Realized gain	718,505	794,251
Less: investment fees	(143,109)	(135,884)
Total investment return, net	$ 6,589,356	$ 3,703,491

6. Grants and Contributions Receivable

Grants and contributions receivable are promised as follows at December 31:

	2025	2024
Receivable in less than one year	$ 12,006,258	$ 18,910,690
Receivable in one to five years	-	6,681,563
Total grants and contributions receivable	12,006,258	25,592,253
Less: allowance for doubtful accounts	(2,476,214)	(4,381,403)
Less: discount	-	(536,054)
Grants and contributions receivable, net	$ 9,530,044	$ 20,674,796

7. Commitments and Contingencies

Operating Leases

The Organization has a noncancelable operating lease agreement with several amendments for its office space in Washington, D.C. that was originally scheduled to expire on March 31, 2025. The lease calls for annual rent increases of 2.5% and includes a moving allowance amounted at $35,000. On March 28, 2025, the lease was extended through May 31, 2025, with a monthly rent payment at $34,995.

Effective June 10, 2025, the Organization entered into a new office lease agreement. The lease term is for 136 months, with a right to extend for an additional five years, and includes scheduled annual base rent increases and rent abatement. A security deposit of $140,950 was paid upon execution. Due to ongoing landlord renovations at the new premises, the commencement date has been delayed. From June 1, 2025, through the new commencement date, the Organization is occupying an alternative floor within the building at no cost. As of December 31, 2025, the Organization has not recognized an ROU asset or a corresponding lease liability for the new office space, as the landlord has not yet made the underlying asset available for use. Under FASB ASC 842, *Leases,* the lease term and related accounting recognition do not commence until the date the Organization takes possession and gains control of the physical space, which is currently anticipated to occur in May 2026.

The Organization had an agreement with a residential building to lease an apartment for use by the President and CEO, which commenced on June 1, 2022, and expires on November 30, 2026. The terms of the lease require fixed monthly rent payments.

Service Organization

The Organization has contracted with Insperity PEO Services, L.P. (“Insperity”) as their professional employer organization. As such, Insperity is the employer of record for tax, benefits, and insurance purposes for the Organization’s employees. This co-employment relationship allows the Organization to maintain direct control of the day-to-day activities of employees, while Insperity assumes the administrative functions of human resources and absorbs many employer-related liabilities.

7. Commitments and Contingencies (continued)

Government Grants

Funds that the Organization receives from the Department of Defense, Department of Agriculture, and Department of Energy are subject to audit under the provisions of the cooperative agreements. The ultimate determination of amounts received under the U.S. government cooperative agreements and grants is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such cooperative agreements are closed out, there exists a contingency to refund any amount received in excess of allowable costs. As of December 31, 2023, the Organization was obligated to the Department of Defense for $1,010,801, which is included in accounts payable and accrued expenses in the consolidated statements of financial position. This obligation arises from an incurred cost audit spanning the years 2015 and 2016. On May 3, 2024, the Organization paid off the full amount of the obligation.

Employment Agreement

The Organization has an employment agreement with the President and CEO, which contains terms that require payments upon the occurrence of certain contractual events.

Hotel Contracts

TMCF is committed under agreements for hotel and conference facilities for future events. The total commitment under the agreements is not determinable as it depends upon attendance and other unknown factors. In the event that TMCF cancels its agreements with the hotels, it can be held liable for liquidated damages up to the amount of lost profit less the hotel's mitigation, depending upon the date of cancellation. Management believes that no material liability is likely.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2025	2024
Subject to specified purpose:		
Scholarships and grants	$ 72,454,715	$ 86,858,561
Subject to endowment spending policy and appropriation:		
Perpetual in nature	2,200,000	2,200,000
Unappropriated endowment earnings	9,841	(182,062)
Total net assets with donor restrictions	$ 74,664,556	$ 88,876,499

9. Endowment Funds

The Organization's endowments have been funded by donor-restricted contributions to be held in perpetuity, the earnings of which can be used to fund either specific programs or general operations. The portion of perpetual endowment funds that are required to be retained permanently, either by explicit donor stipulation or by Delaware's Uniform Prudent Management of Institutional Funds Act (UPMIFA), is $1,950,000 and consist of two separate endowments. The National Basketball Association (NBA) endowment corpus totaled $250,000 at both December 31, 2025 and 2024; and the Hershey endowment corpus totaled $2,200,000 at both December 31, 2025 and 2024.

Return Objectives, Risk Parameters, and Strategies

The Organization has adopted investment and spending policies for endowment funds that attempt to provide a predictable stream of funding to programs supported by its endowments while protecting the principal balance. The objective of the net assets with donor restrictions to be held in perpetuity is the preservation of capital. To achieve the return objectives within the risk parameters, the Organization has elected to invest in money market funds.

The Organization follows a conservative investment policy for endowment assets that attempts to preserve fully the original corpus and optimize returns. The Organization's investment policy permits a strategy of long-term growth of the endowment assets. The endowment assets are invested in a manner that is intended to produce results exceeding major investment benchmarks while assuming a moderate level of risk.

9. Endowment Funds (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization currently allocates budgeted interest and dividends based on a current rate of return for spending on operations. If the budgeted interest and dividends exceed actual interest and dividends for the budget year, the full amount of the actual interest and dividends is deemed to be appropriated. If no amounts are allocated, no appropriations are made from the endowments.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted Delaware's UPMIFA as requiring the preservation of the fair value of the original gifts 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 to be held in perpetuity (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Organization and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Organization; and (7) investment policies of the Organization.

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature would be reported by the Organization in net assets with donor restrictions. At December 31, 2024, deficiencies of this nature are reflected in the Hershey endowment and totaled $182,062. There were no deficient funds in the Hershey endowment at December 31, 2025. There were no deficient funds in the NBA endowment at December 31, 2025 and 2024.

9. Endowment Funds (continued)

Composition of Endowment Net Assets

Endowment net asset composition was as follows at December 31:

	2025	2024
Donor-restricted endowment funds	$ 2,209,841	$ 2,017,938

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the years ended December 31:

	2025	2024
Endowment net assets, beginning of year	$ 2,017,938	$ 2,056,151
Contributions	-	150,000
Investment return, net	191,903	111,787
Appropriations	-	(300,000)
Endowment net assets, end of year	$ 2,209,841	$ 2,017,938

10. Functionalized Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, the Organization allocates its expenses directly to specific programs or functions. Additionally, the Organization utilizes an indirect cost allocation methodology to allocate its expenses. The expenses that are allocated include salaries, fringe benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Additionally, other expenses are allocated across specific programs or functions based on an estimated percentage of time and effort spent by staff on the natural type of expense.

11. Retirement Plans

Defined Contribution Plan

The Organization sponsors a 403(b) retirement plan ("the 403(b) plan") for employees who have attained age 21 and have one year of continuous service at the Organization. The 403(b) plan is a voluntary, contributory annuity plan with the Teachers Insurance and Annuity Association – College Retirement Equities Fund. The Organization contributes to the 403(b) plan at its discretion. The Organization contributed $434,768 and $453,649 to the 403(b) plan for the years ended December 31, 2025 and 2024, respectively.

Deferred Compensation Plan

During the year ended December 31, 2022, the Organization established a non-qualified deferred compensation plan ("the Plan") on behalf of certain key executives. Organized under Section 457(f) of the Internal Revenue Code (IRC), the Plan is funded through annual contributions by the Organization, and will be paid to the executives upon retirement. The deferred compensation asset and corresponding liability held at fair value amounted to $1,794,315 and $2,288,067 at December 31, 2025 and 2024, respectively, and is reflected as deferred compensation asset and liability in the accompanying consolidated statements of financial position.

12. Income Taxes

TMCF is exempt from income taxes under IRC Section 501(c)(3). Pursuant to IRC Section 509(a), TMCF was determined to be a public charity. TMCF follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes.* These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

OFCI is a for-profit corporation that is subject to income tax and had no taxable net income for the years ended December 31, 2025 and 2024.

TM2 is a disregarded entity for income tax purposes. As a single member LLC, all items of income and expenditure are attributable to TMCF, and are reported on its annual Form 990. All activities are related to the mission of TMCF.

12. Income Taxes (continued)

The Organization performed an evaluation of uncertain tax positions for the years ended December 31, 2025 and 2024, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of December 31, 2025 and 2024, the Organization had no accrual for interest and/or penalties.

SUPPLEMENTARY INFORMATION

Thurgood Marshall College Fund and Affiliates

Consolidating Statement of Financial Position
December 31, 2025
(With Comparative Totals for December 31, 2024)

	TMCF	OFCI	TM2	Eliminations	2025 Total	2024 Total
Assets						
Cash and cash equivalents	$ 44,962,011	$ 5,649	$ 119,621	$ -	$ 45,087,281	$ 68,250,310
Accounts receivable	59,347	-	1,174,077	-	1,233,424	887,260
Grants and contributions receivable, net	9,530,044	-	-	-	9,530,044	20,674,796
Due from related entities	586,544	220,413	-	(806,957)	-	-
Investments	131,488,116	-	-	-	131,488,116	50,925,242
Investment in subsidiary	226,062	-	-	(226,062)	-	-
Right-of-use asset – operating lease	-	-	-	-	-	93,302
Deferred compensation asset	1,794,315	-	-	-	1,794,315	2,288,067
Total assets	$ 188,646,439	$ 226,062	$ 1,293,698	$ (1,033,019)	$ 189,133,180	$ 143,118,977
Liabilities, Net Assets (Deficit), and Stockholder's Equity						
Liabilities						
Accounts payable and accrued expenses	$ 6,272,889	$ -	$ 35,555	$ -	$ 6,308,444	$ 1,729,930
Due to related entities	-	-	806,957	(806,957)	-	-
Lease liability – operating lease	-	-	-	-	-	102,249
Deferred compensation liability	1,794,315	-	-	-	1,794,315	2,288,067
Total liabilities	8,067,204	-	842,512	(806,957)	8,102,759	4,120,246
Net Assets and Stockholder's Equity						
Without donor restrictions:						
Undesignated	62,919,067	-	451,186	-	63,370,253	12,693,225
Board-designated reserve fund	42,995,612	-	-	-	42,995,612	37,429,007
Total without donor restrictions	105,914,679	-	451,186	-	106,365,865	50,122,232
With donor restrictions:						
Purpose restrictions	72,454,715	-	-	-	72,454,715	86,858,561
Endowments	2,209,841	-	-	-	2,209,841	2,017,938
Total with donor restrictions	74,664,556	-	-	-	74,664,556	88,876,499
Total net assets	180,579,235	-	451,186	-	181,030,421	138,998,731
Total liabilities and net assets	188,646,439	-	1,293,698	(806,957)	189,133,180	143,118,977
Stockholder's Equity						
Common stock and retained earnings	-	226,062	-	(226,062)	-	-
Total net assets and stockholder's equity	180,579,235	226,062	451,186	(226,062)	181,030,421	138,998,731
Total liabilities, net assets, and stockholder's equity	$ 188,646,439	$ 226,062	$ 1,293,698	$ (1,033,019)	$ 189,133,180	$ 143,118,977

Thurgood Marshall College Fund and Affiliates

Consolidating Statement of Activities
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	TMCF	OFCI	TM2	Eliminations	2025 Total	2024 Total
Operating Revenue and Support						
Grants and contributions	$ 112,367,933	$ -	$ -	$ -	$ 112,367,933	$ 84,509,654
Government grants	131,274	-	-	-	131,274	-
In-kind contributions	8,000,000	-	-	-	8,000,000	6,350,000
Registration fees	161,050	-	-	-	161,050	265,150
Membership fees	-	-	-	-	-	67,500
Contract income	-	-	580,250	-	580,250	983,200
Interest income	2,679,629	28	-	-	2,679,657	1,534,995
Other income	92,813	-	-	-	92,813	101,189
Total operating revenue and support	123,432,699	28	580,250	-	124,012,977	93,811,688
Expenses						
Program services	68,233,582	-	458,872	-	68,692,454	60,523,674
Supporting services:						
Management and general	13,491,810	-	-	-	13,491,810	12,513,800
Development	3,706,722	-	-	-	3,706,722	2,594,324
Total supporting services	17,198,532	-	-	-	17,198,532	15,108,124
Total expenses	85,432,114	-	458,872	-	85,890,986	75,631,798
Change in Net Assets from Operations	38,000,585	28	121,378	-	38,121,991	18,179,890
Non-Operating Activities						
Unrealized gain on investments	3,334,303	-	-	-	3,334,303	1,510,129
Realized gain on investments	718,505	-	-	-	718,505	794,251
Investment fees	(143,109)	-	-	-	(143,109)	(135,884)
Net gain from investment in subsidiary	28	-	-	(28)	-	-
Change in Net Assets	41,910,312	28	121,378	(28)	42,031,690	20,348,386
Net Assets (Deficit) and Stockholder's Equity, beginning of year	138,668,923	226,034	329,808	(226,034)	138,998,731	118,650,345
Net Assets and Stockholder's Equity, end of year	$ 180,579,235	$ 226,062	$ 451,186	$ (226,062)	$ 181,030,421	$ 138,998,731