

**SPOKANE COLLEGES FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**



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**SPOKANE COLLEGES FOUNDATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Spokane Colleges Foundation
Spokane, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Spokane Colleges Foundation (a nonprofit corporation), which comprises the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spokane Colleges Foundation, as of June 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spokane Colleges Foundation 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 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 Spokane Colleges Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spokane Colleges 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 Spokane Colleges 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.



CliftonLarsonAllen LLP

Spokane, Washington
December 10, 2025

**SPOKANE COLLEGES FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 8,527,668	\$ 617,287
Promises to Give - Pledges Receivable	481,950	149,175
Prepaid Expenses	24,094	27,265
Operating Right-of-Use Asset	202,973	-
Operating Lease Receivable	-	221,793
Lease Acquisition Costs	64,934	613,121
Property and Equipment, Net	1,923,991	7,383,416
Future Interests Receivable from Trusts	67,409	65,122
Investments, at Fair Value	33,537,720	30,222,100
Total Assets	\$ 44,830,739	\$ 39,299,279
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 126,949	\$ 483,079
Accrued Compensated Absences	70,214	60,507
Deferred Rent	3,062	121,768
Funds Held for CCS	1,528,867	-
Deposit Held for Others - at Refinance (CCS)	-	1,528,867
Deposit Held for Others - after Refinance (CCS)	-	243,581
Note Payable	-	3,650,922
Total Liabilities	1,729,092	6,088,724
NET ASSETS		
Without Donor Restrictions	18,859,228	10,856,455
With Donor Restrictions	4,342,379	5,235,855
With Donor Restrictions - Endowment	19,900,040	17,118,245
Total Net Assets	43,101,647	33,210,555
Total Liabilities and Net Assets	\$ 44,830,739	\$ 39,299,279

See accompanying Notes to Financial Statements.

SPOKANE COLLEGES FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Donor Restricted	Endowment	
REVENUE, SUPPORT, AND GAINS				
Contributions	\$ 87,657	\$ 904,417	\$ 77,419	\$ 1,069,493
Noncash Contributions	7,496	138,914	-	146,410
Net Investment Income, Including				
Gains and Losses on Investments	1,352,371	-	2,383,369	3,735,740
Gain on Sale of Property	5,649,709	-	-	5,649,709
Income Transfer per Spending Rule	39,320	214,294	(253,614)	-
Grant Income	-	100,450	-	100,450
Administration Fees	208,171	-	-	208,171
Rental Income	1,836,094	-	-	1,836,094
Other Income	243,832	183,594	-	427,426
Transfers	494,307	(1,226,120)	731,813	-
Net Assets Released from Restrictions	1,366,217	(1,209,025)	(157,192)	-
Total Revenue, Support, and Gains	11,285,174	(893,476)	2,781,795	13,173,493
EXPENSES AND LOSSES				
Program Services:				
Student Support	1,234,107	-	-	1,234,107
Rental	873,176	-	-	873,176
Total Program Services	2,107,283	-	-	2,107,283
Supporting Services:				
General and Administrative	761,181	-	-	761,181
Fundraising	413,937	-	-	413,937
Total Supporting Services	1,175,118	-	-	1,175,118
Total Expenses	3,282,401	-	-	3,282,401
CHANGE IN NET ASSETS	8,002,773	(893,476)	2,781,795	9,891,092
Net Assets - Beginning of Year	10,856,455	5,235,855	17,118,245	33,210,555
NET ASSETS - END OF YEAR	<u>\$ 18,859,228</u>	<u>\$ 4,342,379</u>	<u>\$ 19,900,040</u>	<u>\$ 43,101,647</u>

See accompanying Notes to Financial Statements.

**SPOKANE COLLEGES FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions		Total
		Donor Restricted	Endowment	
REVENUE, SUPPORT, AND GAINS				
Contributions	\$ 58,978	\$ 469,667	\$ 227,491	\$ 756,136
Noncash Contributions	2,698	34,865	-	37,563
Net Investment Income, Including				
Gains and Losses on Investments	1,150,673	-	2,043,808	3,194,481
Income Transfer per Spending Rule	39,112	161,988	(201,100)	-
Grant Income	-	125,200	-	125,200
Administration Fees	171,258	51,539	-	222,797
Rental Income	2,418,937	-	-	2,418,937
Net Assets Released from Restrictions and Other Transfers	1,067,056	(928,027)	(139,029)	-
Total Revenue, Support, and Gains	4,908,712	(84,768)	1,931,170	6,755,114
EXPENSES AND LOSSES				
Program Services:				
Student Support	988,736	-	-	988,736
Rental	1,221,361	-	-	1,221,361
Total Program Services	2,210,097	-	-	2,210,097
Supporting Services:				
General and Administrative	537,272	-	-	537,272
Fundraising	429,323	-	-	429,323
Total Supporting Services	966,595	-	-	966,595
Total Expenses	3,176,692	-	-	3,176,692
CHANGE IN NET ASSETS	1,732,020	(84,768)	1,931,170	3,578,422
Net Assets - Beginning of Year	9,124,435	5,320,623	15,187,075	29,632,133
NET ASSETS - END OF YEAR	\$ 10,856,455	\$ 5,235,855	\$ 17,118,245	\$ 33,210,555

See accompanying Notes to Financial Statements.

**SPOKANE COLLEGES FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services			Support Services		
	Student Support	Rental	Total	General and Administrative	Fundraising	Total
Salaries	\$ 142,159	\$ -	\$ 142,159	\$ 390,138	\$ 317,188	\$ 849,485
Scholarships	666,139	-	666,139	-	-	666,139
Depreciation	-	281,824	281,824	-	-	281,824
Repairs and Maintenance	-	274,588	274,588	-	-	274,588
Program Support	272,527	-	272,527	-	-	272,527
Fees	-	34,553	34,553	208,296	-	242,849
Noncash Program Support	146,410	-	146,410	-	-	146,410
Utilities	-	84,839	84,839	-	-	84,839
Interest Expense	-	81,002	81,002	-	-	81,002
Contracted Services	-	28,463	28,463	1,850	40,985	71,298
Uncollectible Pledge Expense	-	-	-	62,725	-	62,725
Insurance	-	43,807	43,807	5,969	-	49,776
Taxes - Real Estate	-	40,372	40,372	-	-	40,372
Software Support	5,996	-	5,996	15,138	9,565	30,699
Professional Fees	-	-	-	25,725	-	25,725
Event Expenses	-	-	-	-	20,092	20,092
Legal	-	3,728	3,728	11,801	-	15,529
Marketing	738	-	738	3,798	6,131	10,667
Supplies	-	-	-	8,995	-	8,995
Printing and Promotional	138	-	138	-	6,371	6,509
Travel	-	-	-	6,058	-	6,058
Donor Cultivation	-	-	-	-	5,855	5,855
Training	-	-	-	5,671	-	5,671
Planned Giving	-	-	-	-	5,052	5,052
Meetings	-	-	-	4,735	-	4,735
Dues and Subscriptions	-	-	-	3,149	988	4,137
Credit Cards and Bank Fees	-	-	-	3,417	173	3,590
Gifts	-	-	-	1,527	1,388	2,915
Postage and Supplies	-	-	-	1,431	149	1,580
Licenses and Permits	-	-	-	552	-	552
Awards	-	-	-	206	-	206
Total Functional Expenses	\$ 1,234,107	\$ 873,176	\$ 2,107,283	\$ 761,181	\$ 413,937	\$ 3,282,401

See accompanying Notes to Financial Statements.

**SPOKANE COLLEGES FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Program Services			Support Services		Total
	Student Support	Rental	Total	General and Administrative	Fundraising	
Salaries	\$ 111,654	\$ -	\$ 111,654	\$ 234,930	\$ 336,323	\$ 682,907
Scholarships	586,207	-	586,207	-	-	586,207
Repairs and Maintenance	-	403,666	403,666	-	-	403,666
Depreciation	-	337,111	337,111	-	-	337,111
Program Support	243,599	-	243,599	-	-	243,599
Fees	-	23,051	23,051	174,277	-	197,328
Utilities	-	173,182	173,182	-	-	173,182
Interest Expense	-	136,483	136,483	-	-	136,483
Contracted Services	-	38,700	38,700	36,601	19,400	94,701
Taxes - Real Estate	-	68,140	68,140	-	-	68,140
Software Support	8,374	-	8,374	16,369	26,870	51,613
Insurance	-	41,028	41,028	4,463	-	45,491
Noncash Program Support	37,563	-	37,563	-	-	37,563
Professional Fees	-	-	-	26,959	-	26,959
Planned Giving	-	-	-	-	23,681	23,681
Marketing	1,285	-	1,285	14,024	870	16,179
Training	-	-	-	15,375	-	15,375
Event Expenses	-	-	-	-	10,193	10,193
Printing and Promotional	54	-	54	-	8,841	8,895
Travel	-	-	-	6,885	-	6,885
Meetings	-	-	-	6,266	-	6,266
Supplies	-	-	-	3,994	-	3,994
Legal	-	-	-	3,243	-	3,243
Credit Cards and Bank Fees	-	-	-	3,134	91	3,225
Dues and Subscriptions	-	-	-	1,719	627	2,346
Donor Cultivation	-	-	-	-	2,124	2,124
Postage and Supplies	-	-	-	775	218	993
Licenses and Permits	-	-	-	587	60	647
Awards	-	-	-	196	-	196
Gifts	-	-	-	-	25	25
Uncollectible Pledge Expense	-	-	-	(12,525)	-	(12,525)
Total Functional Expenses	\$ 988,736	\$ 1,221,361	\$ 2,210,097	\$ 537,272	\$ 429,323	\$ 3,176,692

See accompanying Notes to Financial Statements.

**SPOKANE COLLEGES FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,891,092	\$ 3,578,422
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	281,824	337,111
Gain on Investments - Unrealized	(2,362,424)	(1,437,353)
Gain on Investments - Realized	(296,266)	(935,408)
Gain on Future Interests - Unrealized	(2,287)	(6,785)
Contributions Restricted for Endowments	(77,419)	(227,491)
Gain on Sale of Property	(5,649,709)	-
Changes in Operating Assets and Liabilities:		
Promises to Give	(332,775)	70,975
Prepaid Expenses	3,171	18,053
Operating Lease Receivable	221,793	(129,969)
Operating Right-of-Use Asset	(202,973)	-
Lease Acquisition Costs	548,187	(421,898)
Accounts Payable	(356,130)	78,606
Accrued Expenses	9,707	9,806
Deferred Rent	(118,706)	(26,428)
Deposits Held for Others - After Refinance	(243,581)	(470,393)
Net Cash Provided by Operating Activities	1,313,504	437,248
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Buildings, Improvements, and Equipment	(183,480)	(154,224)
Purchase of Investments	(1,670,931)	(5,095,072)
Sale of Investments	1,014,001	4,405,224
Proceeds from Sale of Assets	11,010,790	-
Net Cash Provided (Used) by Investing Activities	10,170,380	(844,072)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Endowments	77,419	227,491
Payment on Long-Term Debt	(3,650,922)	(318,917)
Net Cash Used by Financing Activities	(3,573,503)	(91,426)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,910,381	(498,250)
Cash and Cash Equivalents - Beginning of Year	617,287	1,115,537
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,527,668	\$ 617,287
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	\$ 81,002	\$ 136,483

SUPPLEMENTAL DISCLOSURE OF CASH INVESTING ACTIVITIES

The Foundation disposed of land, buildings, and equipment with a cost of \$11,589,291 and related accumulated depreciation amounting to \$6,228,209.

See accompanying Notes to Financial Statements.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Spokane Colleges Foundation (the Foundation) is a Washington nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is organized to provide benefits to Washington State Community College District 17 (Spokane Colleges) and to the students of Spokane Community College and Spokane Falls Community College. The Foundation is operated to receive, hold, invest, and properly administer the assets and to make expenditures to or for the benefit of the aforementioned institutions.

Basis of Accounting

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors or by management for the use for those resources.

Financial Statement Presentation

The financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets as follows:

Net Assets without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met, and any net assets designated by the board for specific purposes.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the organization. Certain restrictions may need to be maintained in perpetuity. This class also includes scholarship funds, program support funds, endowment funds, and charitable remainder trusts, when applicable.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers highly liquid debt instruments, if any, purchased with maturity of three months or less, to be cash equivalents.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at financial institutions. The bank accounts at times, may be in excess of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) insurance limits.

Property and Equipment and Depreciation

Assets purchased for general purposes are capitalized at cost and depreciated on the straight-line method over 5 to 10 years. Buildings are depreciated over 31 to 40 years. Assets with a value over \$10,000 are capitalized (see Note 4).

Revenues

Revenue is recognized when it is earned and realized or realizable. In determining whether these two elements are present, the Foundation considers whether (i) persuasive evidence of an arrangement exists, (ii) service has been provided, (iii) the price is fixed or determinable, and (iv) collectability is reasonably assured.

Leases

Lessor

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received by the Foundation are recognized as income on the straight-line basis.

The Foundation has elected to apply the practical expedient to combine lease and nonlease components identified in lease contracts.

The Foundation has elected to not evaluate whether certain sales taxes and other similar taxes collected from lessees are lessor or lessee costs. Instead, the Foundation accounts for those taxes as if they are lessee costs and has excluded them from lease revenue.

Lessee

The Foundation leases office space. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statements of financial position.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessee (Continued)

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As the lease does not provide an implicit rate, the Foundation uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

Lease Acquisition Costs

Costs incurred to obtain lease contracts include commissions paid to agents and tenant improvement allowances. These costs are capitalized and amortized over the term of the related lease contract.

Contributions

Contributions, including unconditional promises to give, are recognized as support in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on have been met.

Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible promises is provided based upon management's judgment or potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Contributions with Restrictions Met in the Same Year

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as net assets without donor restriction.

Noncash Contributions

The Foundation received significant amounts of donated equipment and materials, which pass through the Foundation to its charitable beneficiaries.

Spokane Colleges provides personnel and other administrative support to the Foundation at no cost, in accordance with a cooperative agreement. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. See Note 16.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing services have been summarized on a functional basis in the statements of activities. Student support expenses do not include any overhead, they are paid on a reimbursement basis. Rental expenses include direct costs associated with rental activities to the Spokane Colleges as well as other tenants. Support expenses are allocated as follows: fundraising expenses include costs directly attributable to those functions. General and administrative expenses include directly attributable expenses as well as indirect expenses that support all programs and operations of the Foundation.

Income Tax Status

The Foundation is exempt from income taxes as a publicly supported organization under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to confirm with the presentation of the current year financial statements. Such reclassifications resulted in no changes to previously reported change in total assets.

Subsequent Events

Management has evaluated subsequent events through December 10, 2025, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also received gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions.

The Foundation manages its cash available to meet general expenditures following three guiding principles; (1) operating within a prudent range of financial soundness and stability, (2) maintain adequate liquid assets, and (3) maintain sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The table below presents financial assets available for general expenditures within one year for years ending June 30:

	<u>2025</u>	<u>2024</u>
Cash	\$ 8,527,668	\$ 617,287
Promises to Give	481,950	149,175
Investments	<u>33,537,720</u>	<u>30,222,100</u>
Total Financial Assets	42,547,338	30,988,562
Receivable Scheduled to be Collected in More than One Year	(421,000)	(162,000)
Board-Designated Funds	(7,104,851)	-
Contractual or Donor-Imposed Restrictions:		
Funds Held for CCS	(1,528,867)	-
Deposit Held for Others - at Refinance (CCS)	-	(1,528,867)
Deposit Held for Others - after Refinance (CCS)	-	(243,581)
Investments - With Donor Restrictions	(4,342,379)	(5,235,855)
Investments - Endowment	<u>(19,900,040)</u>	<u>(17,118,245)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 9,250,201</u>	<u>\$ 6,700,014</u>

NOTE 3 PROMISES TO GIVE/PLEDGES RECEIVABLE

The Foundation conducts various fundraising campaigns. A provision for estimated uncollectible promises and discount of future year promises has been recorded, which was calculated as a combined rate of 15% of outstanding promises to give for years ending June 30, 2025 and 2024. The discount rate used was 4.76% at June 30, 2025 and 4.58% at June 30, 2024. Maturities of long-term promises to give are as follows for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Within One Year	\$ 146,000	\$ 13,500
In One to Five Years	<u>421,000</u>	<u>162,000</u>
Total	567,000	175,500
Less: Allowance for Uncollectible Promises to Give and Discount	(85,050)	(26,325)
Total	<u>\$ 481,950</u>	<u>\$ 149,175</u>

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment, recorded at cost or fair market value at date of gift, consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Equipment	\$ 2,160	\$ 2,160
Land	349,128	2,799,673
Buildings	3,479,917	9,644,941
Building Improvements	1,334,780	4,125,021
Subtotal	5,165,985	16,571,795
Less: Accumulated Depreciation	(3,241,994)	(9,188,379)
Net Property and Equipment	\$ 1,923,991	\$ 7,383,416

Depreciation expense was \$281,824 and \$337,111 for the years ended June 30, 2025 and 2024.

NOTE 5 CHARITABLE REMAINDER TRUSTS

The Foundation, through its deferred giving program, is the beneficiary of one charitable remainder unitrust. The trusts, formulated through written legal trust documents, are separate legal entities for reporting to the Internal Revenue Service. In accordance with trust documents, trust property and all receipts of every kind shall be managed and invested by the independent trustee as a single fund from which the trustee shall pay an annuity amount in each taxable year of the trust. Future interests receivable from trusts are computed and represented based on actuarial assumptions of the trusts' life beneficiaries' estimated life expectancies and current interest rates (see Note 6).

Future interests receivable were \$67,409 and \$65,122 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Financial accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels for disclosure purposes. The level in the fair value hierarchy is based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets or liabilities and gives the lowest priority (Level 3) to unobservable inputs. An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The levels of the fair value hierarchy are as follows:

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Prices are obtained from readily available sources for market transactions involving identical assets or liabilities.

Level 2 – Fair values are based on inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, and other market observable inputs such as interest rate, credit spread, and foreign currency exchange rates observable in the marketplace or derived from market transactions.

Level 3 – Fair values are based on at least one significant unobservable input for the asset or liability and as a result considerable judgment may be used in determining the fair values. These fair values are generally obtained through the use of valuation models or methodologies using a significant unobservable input or broker quote.

Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs. Accounting standards require the use of observable market data if such data is available without undue cost and effort.

Following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used at June 30, 2025 and 2024.

Future Interests

Investment assets have been valued using a market approach, and future interests are valued at market and discounted (see Note 5).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of further fair values. Furthermore, while the Foundation believed 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 a different fair value measurement at the reporting date.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Future Interests (Continued)

The following table discloses, by level within the fair value hierarchy, the Foundation's assets measured and reported on the statements of financial position at fair value on a recurring basis as of June 30:

	2025			Total
	Level 1	Level 2	Level 3	
U.S. Equity Securities	\$1,572,637	\$ -	\$ -	\$ 1,572,637
Mutual Funds:				
Equity	18,711,626	-	-	18,711,626
Bond	8,309,032	-	-	8,309,032
Equity ETFs	4,944,425	-	-	4,944,425
Total	<u>\$ 33,537,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,537,720</u>
Future Interests	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,409</u>	<u>\$ 67,409</u>

	2024			Total
	Level 1	Level 2	Level 3	
U.S. Equity Securities	\$ 1,580,340	\$ -	\$ -	\$ 1,580,340
Mutual Funds:				
Equity	16,860,904	-	-	16,860,904
Bond	7,255,645	-	-	7,255,645
Equity ETFs	4,525,211	-	-	4,525,211
Total	<u>\$ 30,222,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,222,100</u>
Future Interests	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,122</u>	<u>\$ 65,122</u>

The following sets forth a summary for the years ended June 30, 2025 and 2024 of the Foundation's Level 3 assets:

Instrument	2025 Fair Value	2024 Fair Value	Principal Valuation Technique	Unobservable Inputs
Future Interests	<u>\$ 67,409</u>	<u>\$ 65,122</u>	FM of Trust Investments	Time Period of Trust

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 INVESTMENTS

Investment income is recorded net of fees charged by the investment advisors for years ended June 30, 2025 and 2024 of approximately \$76,029 and \$69,000, respectively.

This following summarizes the investment return for the years ended June 30 and its classification in the statements of activities:

	2025			
	Without Donor Restriction	With Donor Restrictions		Total
		Restricted	Endowment	
Interest and Dividends	\$ 137,977	\$ -	\$ 1,012,814	\$ 1,150,791
Changes in Trust Value	-	-	2,287	2,287
Gains and Losses, Net	1,214,394	-	1,368,268	2,582,662
Total Investment Return	<u>\$ 1,352,371</u>	<u>\$ -</u>	<u>\$ 2,383,369</u>	<u>\$ 3,735,740</u>
Transfer Income per Spending Rule	<u>\$ 39,320</u>	<u>\$ 214,294</u>	<u>\$ (253,614)</u>	<u>\$ -</u>
	2024			
	Without Donor Restriction	With Donor Restrictions		Total
		Restricted	Endowment	
Interest and Dividends	\$ 512	\$ -	\$ 883,454	\$ 883,966
Changes in Trust Value	-	-	6,785	6,785
Gains and Losses, Net	1,150,161	-	1,153,569	2,303,730
Total Investment Return	<u>\$ 1,150,673</u>	<u>\$ -</u>	<u>\$ 2,043,808</u>	<u>\$ 3,194,481</u>
Transfer Income per Spending Rule	<u>\$ 39,112</u>	<u>\$ 161,988</u>	<u>\$ (201,100)</u>	<u>\$ -</u>

NOTE 8 ACCOUNTING FOR COMPENSATED ABSENCES

Spokane Colleges employees who work for the Foundation are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. The estimated amount of compensation for future absences is \$70,214 and \$60,507 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 NOTE PAYABLE

Note payable consisted of the following as of June 30:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Note payable to Banner Bank, payable in monthly installments of \$37,950 including interest at 3.5%, due June 1, 2025; secured by real property (Riverpoint One building). The loan requires the Foundation to maintain a debt service ratio equal to or in excess of 1.25 to 1.	<u>\$ -</u>	<u>\$ 3,650,922</u>

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 NOTE PAYABLE (CONTINUED)

During the year ended June 30, 2025, The Foundation fully repaid its outstanding debt obligations to Banner Bank through the sale of the Riverpoint One property. Interest expense amounted to \$81,002 and \$136,483 for the years ended June 30, 2025 and 2024, respectively.

NOTE 10 FUNDS HELD FOR ENDOWMENT

The Foundation follows Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. The board of directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment, (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Foundation, and (7) the Foundation's investment policies.

The Foundation has a quasi-endowment fund to support the Chancellor of Spokane Colleges. The quasi-endowment fund has no donor restrictions; therefore it is reported in net assets without donor restriction.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original contribution value. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies in these funds for the years ended June 30, 2025 and 2024.

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term objective is to return a reasonable rate of return, net of investment fees. Actual returns in any year may vary.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 FUNDS HELD FOR ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making and administration. The annual spending rule transfer is calculated by applying a distribution calculation to the three-year moving average fair market value of the permanently restricted net assets. The distribution amount can be up to 4% and is determined annually by the finance committee, the distribution amount was 3.75% at June 30, 2025 and 2024. In addition, the Foundation assesses a 1% administration fee. The spending policy was in effect for the years ended June 30, 2025 and 2024, along with the administrative fee charged against endowment funds. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment assets to grow annually.

This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Composition of endowment net assets for the years ended June 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 19,900,040	\$ 19,900,040
Without Donor-Restricted Funds (Board-Designated)	492,123	-	492,123
Total	\$ 492,123	\$ 19,900,040	\$ 20,392,163
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 17,118,245	\$ 17,118,245
Without Donor-Restricted Funds (Board-Designated)	-	-	-
Total	\$ -	\$ 17,118,245	\$ 17,118,245

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 FUNDS HELD FOR ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

Donor restricted endowment net asset composition by type of fund for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Scholarships	\$ 11,110,839	\$ 9,953,523
Program Support	2,907,183	2,366,479
Emerging Needs	1,225,773	1,125,016
Faculty/Staff Development	4,588,836	3,608,103
Charitable Remainder Trusts	67,409	65,124
Endowment Net Assets - End of Year	<u>\$ 19,900,040</u>	<u>\$ 17,118,245</u>

Change in endowment net assets for the years ended June 30, 2025 and 2024 were as follows:

	<u>Board- Designated</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - June 30, 2023	\$ -	\$ 15,187,075	\$ 15,187,075
Contributions	-	227,491	227,491
Investment Income, Including Gains and Losses, Realized and Unrealized	-	2,043,808	2,043,808
Endowment Income Transfer	-	(201,100)	(201,100)
Uncollectible Pledges	-	-	-
Administrative Fees	-	(138,971)	(138,971)
Support Services	-	(58)	(58)
Endowment Net Assets - June 30, 2024	-	17,118,245	17,118,245
Contributions	-	77,419	77,419
Investment Income, Including Gains and Losses, Realized and Unrealized	59,090	2,383,369	2,442,459
Endowment Income Transfer	-	(253,614)	(253,614)
Uncollectible Pledges	-	(3,150)	(3,150)
Administrative Fees	-	(153,998)	(153,998)
Support Services	-	(44)	(44)
Transfers	433,033	731,813	1,164,846
Endowment Net Assets - June 30, 2025	<u>\$ 492,123</u>	<u>\$ 19,900,040</u>	<u>\$ 20,392,163</u>

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 11 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Net assets with donor restriction at June 30 are available for the following purposes or periods:

	2025			
	Perpetual	Purpose	Underwater	Total
Scholarships	\$6,486,468	\$7,636,685	\$ -	\$ 14,123,153
Program Support	1,713,454	2,591,203	-	4,304,657
Emerging Needs	742,823	482,950	-	1,225,773
Faculty/Staff Development	2,853,293	1,735,543	-	4,588,836
Total	\$ 11,796,038	\$ 12,446,381	\$ -	\$ 24,242,419

	2024			
	Perpetual	Purpose	Underwater	Total
Scholarships	\$ 6,734,780	\$ 6,342,155	\$ -	\$ 13,076,935
Program Support	1,530,414	3,013,632	-	4,544,046
Emerging Needs	741,747	383,269	-	1,125,016
Faculty/Staff Development	2,376,105	1,231,998	-	3,608,103
Total	\$ 11,383,046	\$ 10,971,054	\$ -	\$ 22,354,100

Board designated net assets were as follows at June 30:

	2025	2024
Board-Designated (Program Support)	\$ 6,612,728	\$ -
Board-Designated Endowment	492,123	-
Total	\$ 7,104,851	\$ -

NOTE 12 OPERATING LEASE COMMITMENTS RECEIVABLE

The Foundation leases building space to tenants under noncancelable operating leases with terms of 1 to 10 years. The Foundation leases all properties to the Spokane Colleges. The following is a maturity analysis of annual undiscounted cash flows to be received from operating leases at:

Year Ending June 30,	Amount
2026	\$ 923,152
2027	923,152
2028	923,152
2029	477,228

Components of Leased Property

Land, buildings and building improvements as disclosed in Note 4 are held for lease.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13 RELATED PARTY

The Foundation is organized to provide benefits to Washington State Community College District 17 (Spokane Colleges) and the students of Spokane Community College and Spokane Falls Community College. As such, Washington State Community College District 17 is a related party. Operating leases with Spokane Colleges are described in Note 12. An option for Spokane Colleges to purchase the Riverpoint One building is described in Note 14. Deposits held for Spokane Colleges are described in Note 15. Services and support donated by Spokane Colleges are described in Note 1, "Noncash Contributions."

NOTE 14 OPTION TO PURCHASE RIVERPOINT ONE BUILDING

At June 30, 2017, the Foundation had completed the refinance of the Riverpoint One building. With the refinance of the debt, the Foundation and the Spokane Colleges have updated their agreement to incorporate the changes that have occurred.

Agreements

In September 2016, the parties executed the "Option to Purchase and Agreement Regarding Financial Operations of Riverpoint One Property between Community Colleges of Spokane and Community Colleges of Spokane Foundation," which replaces the agreement dated April 12, 2016, and the original option and operation agreements of July 2000. The agreement grants CCS an option to purchase the Riverpoint One property for a cash payment equal to the current outstanding debt obligation, if any, at the time of purchase. The Foundation may not sell the property to any other party unless CCS is in default on the agreement on the Riverpoint One property. The option period extends for as long as the Foundation owns the Riverpoint One property. If CCS does not exercise the option, the Foundation will repay to CCS \$1,528,867 of reserve and advance funds (listed in detail in Note 15), which amount is reported as the liability, "Deposits held for others – at refinance (CCS)."

The agreement states that in normal operations, the building should produce positive cash flows, defined as equal to the net cash flow after expenditures, capital improvements, and debt service. Such positive cash flow will be distributed first at \$50,000 per year to the Foundation. Secondly, \$50,001 will be set aside each year into the emergency reserve account until \$600,000 is maintained. Any remaining positive cash flow will be distributed to CCS. The emergency reserve will be used for maintenance and temporary cash flow deficits and will transfer to CCS in the event that CCS acquires the property. This reserve and the excess cash owed to CCS are included in the liability, "Deposits held for others - after refinance (CCS)."

CCS will also set up its own separate internal reserve fund and will deposit \$25,000 per year until \$300,000 is maintained. The parties agree that in the event insufficient funds are available in the Foundation emergency reserve account for the Riverpoint One property, CCS will reimburse the Foundation for operating losses up to the amount in the CCS internal reserve.

In January 2025, the Foundation sold Riverpoint One to an unrelated third party.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 15 DEPOSITS HELD FOR OTHERS – RIVERPOINT ONE BUILDING

Deposits held for others as of June 30 are as follows:

	CCS Paid to Close	Contingency Reserve	Excess Income Reserve	Total Deposit Liability
Up to the Refinance Date:				
Liability as of June 30, 2014	\$ -	\$ 511,597	\$ 1,030,657	\$ 1,542,254
Interest for the year June 30, 2015	-	99	1,179	1,278
RP1 Decrease for June 30, 2015	-	-	(177,985)	(177,985)
Reserve Used for Capital				-
Expenditures June 30, 2015	-	-	(228,593)	(228,593)
Contributed by CCS	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Liability as of June 30, 2015	<u>500,000</u>	<u>511,696</u>	<u>625,258</u>	<u>1,636,954</u>
Less: Deposits Carried Over	<u>-</u>	<u>-</u>	<u>(108,087)</u>	<u>(108,087)</u>
Liability as of June 30, 2017 and 2018, Funds Used in Refinance	<u>\$ 500,000</u>	<u>\$ 511,696</u>	<u>\$ 517,171</u>	<u>\$ 1,528,867</u>

After the sale of Riverpoint One in January 2025 the Foundation continued to hold funds of \$1,528,867 for Spokane Colleges.

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 15 DEPOSITS HELD FOR OTHER – RIVERPOINT ONE BUILDING (CONTINUED)

Due to the option to purchase not being exercised, the total deposit liability was paid to the Foundation.

	Owed to CCS	Emergency Reserve	Excess Income Reserve	Total Deposit Liability
After the Refinance Date:				
Liability as of June 30, 2017	\$ 159,149	\$ 100,002	\$ 32,893	\$ 292,044
Check to CCS October 31, 2017	(159,149)	-	-	(159,149)
RP1 Increase for June 30, 2018	186,694	-	-	186,694
Less: Earned by Foundation	(50,000)	-	-	(50,000)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS November 1, 2018	(86,693)	-	-	(86,693)
RP1 Increase for June 30, 2019	161,771	-	-	161,771
Less: Earned by Foundation	(50,001)	-	-	(50,001)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS November 1, 2019	(61,770)	-	-	(61,770)
RP1 Increase for June 30, 2020	312,206	-	-	312,206
Less: Earned by Foundation	(50,000)	-	-	(50,000)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS November 1, 2020	(212,205)	-	-	(212,205)
RP1 increase for June 30, 2021	361,862	-	-	361,862
Less: Earned by Foundation	(50,000)	-	-	(50,000)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS	(261,861)	-	(32,893)	(294,754)
RP1 Increase for June 30, 2022	400,183	-	-	400,183
Less: Earned by Foundation	(50,000)	-	-	(50,000)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS	(300,182)	-	-	(300,182)
RP1 Increase for June 30, 2023	413,967	-	-	413,967
Less: Earned by Foundation	(50,000)	-	-	(50,000)
Less: Owed to Emergency Reserve	(50,001)	50,001	-	-
Check to CCS	(313,965)	-	-	(313,965)
RP1 Increase for June 30, 2024	-	-	-	-
Less: Earned by Foundation	-	-	-	-
Less: Owed to Emergency Reserve	-	(156,427)	-	(156,427)
RP1 Increase for June 30, 2025	-	-	-	-
Less: Earned by Foundation	-	-	-	-
Less: Transferred Out of Reserve	-	-	-	-
Due to Sale of RP1	-	(243,581)	-	(243,581)
Liability as of June 30, 2025, Funds Accumulated After Refinance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SPOKANE COLLEGES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 16 NONCASH CONTRIBUTIONS

For the years ending June 30, 2025 and 2024, noncash contributions recognized within the statements of activities included:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 134,874	\$ 28,300
Supplies	7,496	2,698
Entertainment	4,040	6,565
Total	<u>\$ 146,410</u>	<u>\$ 37,563</u>

Valuation techniques: All contributed items are valued by the donor or by the face value of the item being donated. The Foundation estimated the fair value of identical or similar products using pricing data under a “like-kind” methodology considering the goods condition and utility for use at the time of the contribution.

All noncash contributions were restricted to use by donors in the student support program, with the exception of \$7,496 of supplies for the year ending June 30, 2025 and \$2,698 of supplies for the year ending June 30, 2024.

NOTE 17 LEASES

As part of the sale of Riverpoint One the Foundation and the buyer entered into a lease agreement that does not require the Foundation to pay rent. The Foundation determined the fair value of lease payments over the term of the lease and recognized this amount as Operating Right-of-Use Asset with no offsetting lease liability. The Foundation will recognize lease expense straight-line over the term of the lease. The lease expires June 30, 2028.

	<u>2025</u>	<u>2024</u>
Total Lease Costs	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Gain on Sales Leaseback Transaction	\$ 202,973	\$ -
Weighted-Average Lease Term Operating Leases	3 Years	
Weighted-Average Discount Rate Operating Leases	4.35%	



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