

COMMUNITY COLLEGES OF SPOKANE FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Colleges of Spokane Foundation
Spokane, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Colleges of Spokane Foundation (a nonprofit corporation), which comprises the statements of financial position as of June 30, 2023 and 2022, 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 Community Colleges of Spokane Foundation, as of June 30, 2023 and 2022, 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 Community Colleges of Spokane 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 Community Colleges of Spokane 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 Community Colleges of Spokane 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 Community Colleges of Spokane 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
November 30, 2023

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 1,115,537	\$ 904,534
Promises to Give - Pledges Receivable	220,150	328,202
Prepaid Expenses	45,318	16,783
Operating Lease Receivable	249,819	-
Lease Acquisition Costs	33,228	-
Property and Equipment, Net	7,566,284	8,191,912
Future Interests Receivable from Trusts	58,337	60,771
Investments, at Fair Value	27,159,510	23,695,922
Total Assets	\$ 36,448,183	\$ 33,198,124
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 404,473	\$ 162,858
Accrued Compensated Absences	50,701	40,413
Deferred Rent	148,196	32,807
Deposit Held for Others - at Refinance (CCS)	1,528,867	1,528,867
Deposit Held for Others - after Refinance (CCS)	713,974	650,189
Note Payable	3,969,839	4,277,969
Total Liabilities	6,816,050	6,693,103
NET ASSETS		
Without Donor Restrictions	9,124,435	8,220,759
With Donor Restrictions	5,320,623	4,948,764
With Donor Restrictions - Endowment	15,187,075	13,335,498
Total Net Assets	29,632,133	26,505,021
Total Liabilities and Net Assets	\$ 36,448,183	\$ 33,198,124

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions		Total
		Donor Restricted	Endowment	
REVENUE, SUPPORT, AND GAINS				
Contributions	\$ 53,334	\$ 574,592	\$ 155,009	\$ 782,935
Noncash Contributions	9,025	31,044	-	40,069
Net Investment Income, Including				
Gains and Losses on Investments	814,571	-	1,891,355	2,705,926
Gain on Sale of Property	415,339	-	-	415,339
Income Transfer per Spending Rule	37,569	157,630	(195,199)	-
Grant Income	-	34,700	-	34,700
Administration Fees	143,750	59,054	-	202,804
Rental Income, net of amount distributed to CCS	1,662,002	-	-	1,662,002
Net Assets Released from Restrictions and Other Transfers	484,749	(485,161)	412	-
Total Revenue, Support, and Gains	3,620,339	371,859	1,851,577	5,843,775
EXPENSES AND LOSSES				
Program Services:				
Student Support	898,058	-	-	898,058
Rental	948,165	-	-	948,165
Total Program Services	1,846,223	-	-	1,846,223
Supporting Services:				
General and Administrative	467,641	-	-	467,641
Fundraising	402,799	-	-	402,799
Total Supporting Services	870,440	-	-	870,440
Total Expenses	2,716,663	-	-	2,716,663
CHANGE IN NET ASSETS	903,676	371,859	1,851,577	3,127,112
Net Assets - Beginning of Year	8,220,759	4,948,764	13,335,498	26,505,021
NET ASSETS - END OF YEAR	\$ 9,124,435	\$ 5,320,623	\$ 15,187,075	\$ 29,632,133

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions		Total
		Donor Restricted	Endowment	
REVENUE, SUPPORT, AND GAINS				
Cash Contributions	\$ 67,193	\$ 659,250	\$ 965,235	\$ 1,691,678
Noncash Contributions	5,020	24,464	-	29,484
Net Investment Income (Loss), Including Gains and Losses on Investments	(1,924,980)	17	(1,455,156)	(3,380,119)
Gain on Sale of Property	-	-	256,763	256,763
Income Transfer per Spending Rule	36,853	373,685	(410,538)	-
Grant Income	-	63,500	-	63,500
Administration Fees	147,797	1,430	-	149,227
Rental Income, net of amount distributed to CCS	1,702,509	-	-	1,702,509
Net Assets Released from Restrictions and Other Transfers	875,329	(724,111)	(151,218)	-
Total Revenue, Support, and Gains	909,721	398,235	(794,914)	513,042
EXPENSES AND LOSSES				
Program Services:				
Student Support	730,865	-	-	730,865
Rental	1,384,320	-	-	1,384,320
Total Program Services	2,115,185	-	-	2,115,185
Supporting Services:				
General and Administrative	427,069	-	-	427,069
Fundraising	392,036	-	-	392,036
Total Supporting Services	819,105	-	-	819,105
Total Expenses	2,934,290	-	-	2,934,290
CHANGE IN NET ASSETS	(2,024,569)	398,235	(794,914)	(2,421,248)
Net Assets - Beginning of Year	10,245,328	4,550,529	14,130,412	28,926,269
NET ASSETS - END OF YEAR	\$ 8,220,759	\$ 4,948,764	\$ 13,335,498	\$ 26,505,021

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services			Support Services		Total
	Student Support	Rental	Total	General and Administrative	Fundraising	
Salaries	\$ 94,111	\$ -	\$ 94,111	\$ 230,622	\$ 289,060	\$ 613,793
Depreciation	-	159,505	159,505	-	-	159,505
Scholarships	461,743	-	461,743	-	-	461,743
Repairs and Maintenance	-	354,698	354,698	-	-	354,698
Payments due per CCSF/CCS MOU	-	363,967	363,967	-	-	363,967
Program Support	294,815	-	294,815	-	-	294,815
Fees	13,786	-	13,786	128,352	797	142,935
Utilities	-	174,071	174,071	-	-	174,071
Interest Expense	-	147,270	147,270	-	-	147,270
Taxes - Real Estate	-	72,593	72,593	-	-	72,593
Software Support	5,976	-	5,976	10,847	27,099	43,922
Contracted Services	-	5,473	5,473	29,934	13,630	49,037
Event Expenses	-	-	-	-	24,475	24,475
Noncash Program Support	40,069	-	40,069	-	-	40,069
Insurance	-	28,008	28,008	2,718	-	30,726
Professional Fees	-	-	-	15,658	-	15,658
Supplies	-	-	-	21,711	-	21,711
Printing and Promotional	1,400	-	1,400	51	20,927	22,378
Planned Giving	-	-	-	-	6,475	6,475
Marketing	403	-	403	1,413	17,017	18,833
Meetings	-	-	-	7,744	93	7,837
Dues and Subscriptions	-	-	-	1,710	535	2,245
Credit Cards and Bank Fees	905	-	905	1,610	347	2,862
Gifts	-	-	-	907	470	1,377
Legal	-	6,547	6,547	5,708	-	12,255
Training	-	-	-	2,334	-	2,334
Travel	-	-	-	7,797	-	7,797
Donor Cultivation	-	-	-	-	2,057	2,057
Awards	-	-	-	601	-	601
Licenses & Permits	-	-	-	378	60	438
Postage and Supplies	-	-	-	594	507	1,101
Uncollectible Pledge Expense	(15,150)	-	(15,150)	(3,048)	(750)	(18,948)
Total Functional Expenses	898,058	1,312,132	2,210,190	467,641	402,799	3,080,630
Less: Expenses Included with Revenues on the Statement of Activities:	-	(363,967)	(363,967)	-	-	(363,967)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 898,058	\$ 948,165	\$ 1,846,223	\$ 467,641	\$ 402,799	\$ 2,716,663

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services			Support Services		Total
	Student Support	Rental	Total	General and Administrative	Fundraising	
Salaries	\$ 74,870	\$ -	\$ 74,870	\$ 206,073	\$ 284,282	\$ 565,225
Depreciation	-	507,715	507,715	-	-	507,715
Scholarships	401,679	-	401,679	-	-	401,679
Repairs and Maintenance	-	343,745	343,745	-	-	343,745
Payments due per CCSF/CCS MOU	-	350,184	350,184	-	-	350,184
Program Support	216,347	-	216,347	-	-	216,347
Fees	-	63,650	63,650	147,872	1,047	212,569
Utilities	-	166,648	166,648	-	-	166,648
Interest Expense	-	159,386	159,386	-	-	159,386
Taxes - Real Estate	-	80,218	80,218	-	-	80,218
Software Support	7,955	-	7,955	15,093	30,312	53,360
Contracted Services	-	38,700	38,700	9,822	3,507	52,029
Event Expenses	-	-	-	-	37,017	37,017
Noncash Program Support	29,484	-	29,484	-	-	29,484
Insurance	-	21,660	21,660	2,620	-	24,280
Professional Fees	-	2,597	2,597	16,843	1,404	20,844
Supplies	-	-	-	13,022	-	13,022
Printing and Promotional	59	-	59	628	11,688	12,375
Planned Giving	-	-	-	-	12,019	12,019
Marketing	396	-	396	999	8,874	10,269
Meetings	-	-	-	9,012	110	9,122
Dues and Subscriptions	-	-	-	2,611	255	2,866
Credit Cards and Bank Fees	-	-	-	1,461	342	1,803
Gifts	-	-	-	1,615	47	1,662
Training	-	-	-	1,230	-	1,230
Travel	-	-	-	1,161	-	1,161
Donor Cultivation	75	-	75	-	860	935
Awards	-	-	-	696	-	696
Licenses & Permits	-	1	1	299	140	440
Postage and Supplies	-	-	-	(6)	132	126
Uncollectible Pledge Expense	-	-	-	(3,982)	-	(3,982)
Total Functional Expenses	730,865	1,734,504	2,465,369	427,069	392,036	3,284,474
Less: Expenses Included with Revenues on the Statement of Activities	-	(350,184)	(350,184)	-	-	(350,184)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 730,865	\$ 1,384,320	\$ 2,115,185	\$ 427,069	\$ 392,036	\$ 2,934,290

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,127,112	\$ (2,421,248)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	159,505	507,715
(Gain) Loss on Investments - Unrealized	(1,808,408)	4,225,906
Gain on Investments - Realized	(139,027)	(52,393)
(Gain) Loss on Future Interests - Unrealized	2,434	(20,090)
Contributions Restricted for Endowments	(155,009)	(965,235)
Gain on Sale of Property	(415,339)	(256,763)
Changes in Operating Assets and Liabilities:		
Promises to Give	108,052	42,398
Prepaid Expenses	(28,535)	45,369
Operating Lease Receivable	(249,819)	-
Lease Acquisition Costs	(33,228)	-
Accounts Payable	241,615	39,071
Accrued Expenses	10,288	(17,321)
Deferred Rent	115,389	(12,525)
Deposits Held for Others - After Refinance	63,785	55,429
Net Cash Provided by Operating Activities	998,815	1,170,313
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Buildings, Improvements, and Equipment	(129,420)	(282,576)
Purchase of Investments	(4,951,862)	(6,242,500)
Sale of Investments	3,435,709	3,925,962
Proceeds from Maturities of Certificates of Deposit	-	250,000
Proceeds from Sale of Assets	1,010,882	356,600
Net Cash Used by Investing Activities	(634,691)	(1,992,514)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Endowments	155,009	965,235
Payment on Long-Term Debt	(308,130)	(296,014)
Net Cash Provided (Used) by Financing Activities	(153,121)	669,221
NET CHANGE IN CASH AND CASH EQUIVALENTS	211,003	(152,980)
Cash and Cash Equivalents - Beginning of Year	904,534	1,057,514
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,115,537	\$ 904,534
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	\$ 147,270	\$ 159,386

See accompanying Notes to Financial Statements.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Colleges of Spokane 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 (Community Colleges of Spokane) 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.

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.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$5,000 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) collectibility is reasonably assured.

Leases

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.

Lease Acquisition Costs

Costs incurred to obtain lease contracts include commissions paid to agents. 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.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

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.

The Community Colleges of Spokane 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.

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 Community Colleges of Spokane 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.

COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In February 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-002, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The new standard also increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements but did require enhanced disclosures about the entity's leasing activities.

The Foundation adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the year of adoption, with certain practical expedients available. Lease disclosures for the year ending June 30, 2022 are made under prior lease guidance in FASB ASC 840.

Subsequent Events

Management has evaluated subsequent events through November 30, 2023, the date the financial statements were available to be issued, and has identified no events that, if disclosed, would influence the reader's opinion concerning these financial statements.

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.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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>2023</u>	<u>2022</u>
Cash	\$ 1,115,537	\$ 904,534
Promises to Give	220,150	328,202
Investments	<u>27,159,510</u>	<u>23,695,922</u>
Total Financial Assets	28,495,197	24,928,658
Receivable Scheduled to be Collected in More than One Year	(132,000)	(250,000)
Contractual or Donor-Imposed Restrictions:		
Deposit Held for Others - at Refinance (CCS)	(1,528,867)	(1,528,867)
Deposit Held for Others - after Refinance (CCS)	(713,974)	(650,189)
Investments - With Donor Restrictions	(5,320,623)	(4,948,764)
Investments - Endowment	<u>(15,187,075)</u>	<u>(13,335,498)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 5,612,658</u>	<u>\$ 4,215,340</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, 2023 and 2022. The discount rate used was 3.98% at June 30, 2023 and 3.30% at June 30, 2022. Maturities of long-term promises to give are as follows for the year ended June 30:

	<u>2023</u>	<u>2022</u>
Within One Year	\$ 127,000	\$ 136,120
In One to Five Years	<u>132,000</u>	<u>250,000</u>
Total	259,000	386,120
Less: Allowance for Uncollectible Promises to Give and Discount	(38,850)	(57,918)
Total	<u>\$ 220,150</u>	<u>\$ 328,202</u>

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 and 2022:

	2023	2022
Equipment	\$ 2,160	\$ 44,793
Land	2,799,673	3,395,032
Buildings	9,644,941	9,644,941
Building Improvements	3,970,778	3,841,542
Subtotal	16,417,552	16,926,308
Less: Accumulated Depreciation	(8,851,268)	(8,734,396)
Net Property and Equipment	\$ 7,566,284	\$ 8,191,912

Depreciation is recorded using the straight-line method over estimated lives of 31 to 40 years (buildings) and 5 to 10 years (equipment). Equipment over \$5,000 is capitalized. Depreciation expense was \$159,505 and \$507,715 for the years ended June 30, 2023 and 2022.

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 \$58,337 and \$60,771 for the years ended June 30, 2023 and 2022, 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:

COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022.

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.

COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 FAIR VALUE MEASUREMENTS (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:

	2023			Total
	Level 1	Level 2	Level 3	
U.S. Equity Securities	\$ 1,473,075	\$ -	\$ -	\$ 1,473,075
Mutual Funds:				
Equity	15,325,342	-	-	15,325,342
Bond	5,296,652	-	-	5,296,652
Equity ETFs	5,064,441	-	-	5,064,441
Total	<u>\$ 27,159,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,159,510</u>
Future Interests	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,337</u>	<u>\$ 58,337</u>

	2022			Total
	Level 1	Level 2	Level 3	
US Equity Securities	\$ 1,121,995	\$ -	\$ -	\$ 1,121,995
Mutual Funds:				
Equity	4,792,543	-	-	4,792,543
Bond	13,485,858	-	-	13,485,858
Equity ETFs	4,295,526	-	-	4,295,526
Total	<u>\$ 23,695,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,695,922</u>
Future Interests	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,771</u>	<u>\$ 60,771</u>

The following sets forth a summary for the years ended June 30, 2023 and 2022 of the Foundation's Level 3 assets:

Instrument	2023 Fair Value	2022 Fair Value	Principal Valuation Technique	Unobservable Inputs
Future Interests	<u>\$ 58,337</u>	<u>\$ 60,771</u>	FM of Trust Investments	Time Period of Trust

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 INVESTMENTS

Investment income is recorded net of fees charged by the investment advisors for years ended June 30, 2023 and 2022 of approximately \$60,000 and \$64,000, respectively.

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

	2023			Total
	Without Donor Restriction	With Donor Restrictions		
		Restricted	Endowment	
Interest and Dividends	\$ 1,099	\$ -	\$ 820,311	\$ 821,410
Changes in Trust Value	-	-	(2,434)	(2,434)
Gains and Losses, Net	813,472	-	1,073,478	1,886,950
Total Investment Return	\$ 814,571	\$ -	\$ 1,891,355	\$ 2,705,926
Transfer Income per Spending Rule	\$ 37,569	\$ 157,630	\$ (195,199)	\$ -

	2022			Total
	Without Donor Restriction	With Donor Restrictions		
		Restricted	Endowment	
Interest and Dividends	\$ 601	\$ 17	\$ 796,757	\$ 797,375
Changes in Trust Value	-	-	20,090	20,090
Gains and Losses, Net	(1,925,581)	-	(2,272,003)	(4,197,584)
Total Investment Return	\$ (1,924,980)	\$ 17	\$ (1,455,156)	\$ (3,380,119)
Transfer Income per Spending Rule	\$ 36,853	\$ 373,685	\$ (410,538)	\$ -

NOTE 8 ACCOUNTING FOR COMPENSATED ABSENCES

CCS 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 \$50,701 and \$40,413 for the years ended June 30, 2023 and 2022, respectively.

NOTE 9 NOTE PAYABLE

Note payable consisted of the following as of June 30:

Description	2023	2022
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.	\$ 3,969,839	\$ 4,277,969

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 9 NOTE PAYABLE (CONTINUED)

Interest expense amounted to \$147,270 and \$159,386 for the years ended June 30, 2023 and 2022, respectively. Principal payments on the above debt are as follows for the year ended June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 319,272
2025	3,650,567
Total	<u>\$ 3,969,839</u>

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.

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 deficiencies of \$3,932 and \$89,231 in these funds for the years ended June 30, 2023 and 2022, respectively.

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.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 and 2022. In addition, the Foundation assesses a 1% administration fee. The spending policy was in effect for the years ended June 30, 2023 and 2022, 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.

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

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 8,717,356	\$ 7,496,510
Program Support	2,151,676	1,956,489
Emerging Needs	1,035,352	947,649
Faculty/Staff Development	3,224,354	2,874,079
Charitable Remainder Trusts	58,337	60,771
Endowment Net Assets - End of Year	<u>\$ 15,187,075</u>	<u>\$ 13,335,498</u>

Change in endowment net assets for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Endowment Net Assets - Beginning of Year	\$ 13,335,498	\$ 14,130,412
Contributions	155,009	965,235
Investment Income, Including Gains and Losses,		
Realized and Unrealized	1,891,355	(1,455,156)
Gain on Sale of Property	-	256,763
Endowment Income Transfer	(195,199)	(410,538)
Uncollectible Pledges	150	(1,700)
Administrative Fees	(128,227)	(128,693)
Support Services	(19)	(44,825)
Transfers	128,508	24,000
Endowment Net Assets - End of Year	<u>\$ 15,187,075</u>	<u>\$ 13,335,498</u>

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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:

	2023			
	Perpetual	Purpose	Underwater	Total
Scholarships	\$ 6,504,473	\$ 5,427,185	\$ (3,932)	\$ 11,927,726
Program Support	1,528,994	2,791,272	-	4,320,266
Emerging Needs	739,198	296,154	-	1,035,352
Faculty/Staff Development	2,376,105	848,249	-	3,224,354
Total	\$ 11,148,770	\$ 9,362,860	\$ -	\$ 20,507,698

	2022			
	Perpetual	Purpose	Underwater	Total
Scholarships	\$ 6,205,084	\$ 4,762,902	\$ (89,231)	\$ 10,878,755
Program Support	1,465,097	2,118,682	-	3,583,779
Emerging Needs	735,957	211,692	-	947,649
Faculty/Staff Development	2,376,105	497,974	-	2,874,079
Total	\$ 10,782,243	\$ 7,591,250	\$ (89,231)	\$ 18,284,262

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 Community Colleges of Spokane, with the exception of Riverpoint One, a portion of which is leased to other tenants. The Foundation has entered into an option agreement with the Community Colleges of Spokane, which grants CCS an option to purchase the Riverpoint One property (see also Note 14). The following is a maturity analysis of annual undiscounted cash flows to be received from operating leases at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,716,444
2025	955,227
2026	557,409
2027	550,623
2028	567,142
Thereafter	435,594

Components of Leased Property

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

Related Party Leases

The Foundation leases commercial space to Community Colleges of Spokane. The lease is classified as an operating lease and provides for minimum annual lease payments of \$719,248 for fiscal year 2024 and \$76,960 for fiscal year 2025.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 13 RELATED PARTY

The Foundation is organized to provide benefits to Washington State Community College District 17 (CCS) 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 CCS are described in Note 12. An option for CCS to purchase the Riverpoint One building is described in Note 14. Deposits held for CCS are described in Note 15. Services and support donated by CCS are described in Note 1, "Donated services and support."

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 Community Colleges Foundation and the Community Colleges of Spokane 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.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 14 OPTION TO PURCHASE RIVERPOINT ONE BUILDING (CONTINUED)

Financial Effect of Transaction, if Option to Purchase is Exercised

The exercise of the option transaction would have the following financial effect (at book value), as if exercised at June 30, 2017:

Riverpoint One Cost Basis, Net of Depreciation	\$ 6,689,970
Less: Mortgage Payable at 6/30/17	<u>(5,266,565)</u>
Potential Transfer of Building to CCS	<u>\$ 1,423,405</u>
Offsetting Transaction Upon Option Exercise:	
Deposit Held for Others (Refinance) will Transfer to Foundation Net Assets	<u>\$ (1,528,867)</u>
Net Book Value Effect	<u>\$ (105,462)</u>

In addition, the Foundation will transfer reserve cash accounts to CCS (which are \$400,008 and \$-0- at June 30, 2023 and \$350,007 and \$-0- at June 30, 2022 and are equally offset by liability accounts, see Note 15).

NOTE 15 DEPOSITS HELD FOR OTHERS – RIVERPOINT ONE BUILDING

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

	<u>CCS Paid to Close</u>	<u>Contingency Reserve</u>	<u>Excess Income Reserve</u>	<u>Total Deposit Liability</u>
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	500,000	511,696	625,258	1,636,954
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>

COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

In the event the option to purchase is exercised, the total deposit liability would not be paid to CCS and would instead be reclassified to net assets of 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	-	-
Liability as of June 30, 2021,	-	-	-	-
Funds Accumulated After	-	-	-	-
Refinance	<u>\$ 313,966</u>	<u>\$ 400,008</u>	<u>\$ -</u>	<u>\$ 713,974</u>

The \$313,966 owed to CCS will be paid in November 2023. The emergency reserve and excess income reserve would be paid to CCS in the event the option to purchase is exercised.

**COMMUNITY COLLEGES OF SPOKANE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 16 NONCASH CONTRIBUTIONS

For the years ending June 30, 2023 and 2022, noncash contributions recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 27,359	\$ 21,015
Material	-	85
Supplies	9,025	5,230
Gift Cards	110	-
Entertainment	3,575	3,154
Total	<u>\$ 40,069</u>	<u>\$ 29,484</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 \$9,025 of supplies for the year ending June 30, 2023 and \$5,020 of supplies for the year ending June 30, 2022.



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