



Audited Financial Statements

December 31, 2024 and 2023

**CLOVER PARK TECHNICAL COLLEGE FOUNDATION**

Audited Financial Statements

December 31, 2024 and 2023

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## Independent Auditor's Report

To the Board of Directors  
Clover Park Technical College Foundation  
Lakewood, Washington

### **Opinion**

We have audited the accompanying financial statements of Clover Park Technical College Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 Clover Park Technical College Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clover Park Technical College Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clover Park Technical College Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 Clover Park Technical College 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 Clover Park Technical College 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.

**Report on Summarized Comparative Information**

We have previously audited Clover Park Technical College Foundation's 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*United States X Advisors Washington CPAs P.S.*

**UNITED STATES X ADVISORS WASHINGTON CPAs P.S.**

Tacoma, Washington  
June 6, 2025

## AUDITED FINANCIAL STATEMENTS

# CLOVER PARK TECHNICAL COLLEGE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,060,053	\$ 863,149
Accounts receivable	<u>1,358</u>	<u>11,341</u>
Total Current Assets	1,061,411	874,490
OTHER ASSETS		
Donated goods inventory	41,819	46,470
Cash restricted to endowment	1,934	380
Investments	<u>2,477,747</u>	<u>2,238,897</u>
Total Other Assets	<u>2,521,500</u>	<u>2,285,747</u>
Total Assets	<u>\$ 3,582,911</u>	<u>\$ 3,160,237</u>
NET ASSETS		
Net assets without donor restrictions		
Undesignated	\$ 568,330	\$ 305,063
Board-designated	<u>751,610</u>	<u>748,129</u>
Total	1,319,940	1,053,192
Net assets with donor restrictions	<u>2,262,971</u>	<u>2,107,045</u>
Total Net Assets	<u>\$ 3,582,911</u>	<u>\$ 3,160,237</u>

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

# CLOVER PARK TECHNICAL COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2024 With Summarized Comparative Totals  
for the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<b>SUPPORT, REVENUE AND RECLASSIFICATIONS</b>				
Contributions	\$ 67,587	\$ 191,976	\$ 259,563	\$ 277,647
Special events, net	56,451	15,871	72,322	78,929
Donated goods	290,981	95,659	386,640	359,687
Investment income, net	14,675	263,839	278,514	285,377
Total Support and Revenue	429,694	567,345	997,039	1,001,640
Net assets released from restriction and reclassifications	411,419	(411,419)		
Total Support, Revenue and Reclassifications	841,113	155,926	997,039	1,001,640
<b>EXPENSES</b>				
Program services:				
Scholarships and grants	151,018		151,018	143,317
Program specific support	266,062		266,062	264,184
Total Program Services	417,080		417,080	407,501
Supporting services:				
General and administrative	132,087		132,087	111,293
Fundraising	25,198		25,198	17,452
Total Supporting Services	157,285		157,285	128,745
Total Expenses	574,365		574,365	536,246
Change in Net Assets	266,748	155,926	422,674	465,394
<b>NET ASSETS AT BEGINNING OF YEAR</b>	1,053,192	2,107,045	3,160,237	2,694,843
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,319,940</u>	<u>\$ 2,262,971</u>	<u>\$ 3,582,911</u>	<u>\$ 3,160,237</u>

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



# CLOVER PARK TECHNICAL COLLEGE FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

	2024				
	Program Services		Supporting Services		Total
	Scholarships and Grants	Program Specific Support	General and Administrative	Fundraising	
Academic program support		\$ 14,134			\$ 14,134
Bank service charges			\$ 1,575		1,575
Board development			1,258		1,258
College promotion		8,575			8,575
Donated goods expense		4,285		\$ 15,815	20,100
Donated services expense		160,858	100,436	26,037	287,331
Donor recognition			921		921
Dues and subscriptions			325		325
Emergency grants	\$ 39,487				39,487
Faculty and staff awards	5,000				5,000
Hospitality			501		501
Insurance			1,572		1,572
License and permits			180		180
Meals				2,055	2,055
Professional services			24,400	5,000	29,400
Purchased services for events				14,388	14,388
Scholarship awards	106,531				106,531
Software maintenance				700	700
Supplies			454	3,514	3,968
Training			465		465
Donated goods provided to Clover Park Technical College (CPTC)		78,210			78,210
Total expenses	151,018	266,062	132,087	67,509	616,676
Less cost of direct donor benefit reported with special events revenue in the Statement of Activities				42,311	42,311
Total Expenses reported on the Statement of Activities	<u>\$ 151,018</u>	<u>\$ 266,062</u>	<u>\$ 132,087</u>	<u>\$ 25,198</u>	<u>\$ 574,365</u>

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

# CLOVER PARK TECHNICAL COLLEGE FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	2023				
	Program Services		Supporting Services		Total
	Scholarships and Grants	Program Specific Support	General and Administrative	Fundraising	
Academic program support		\$ 5,363			\$ 5,363
Bank service charges			\$ 1,420		1,420
Board development			182		182
Board meetings			937		937
College promotion		2,892			2,892
Donated goods expense		327	1,427	\$ 3,637	5,391
Donated services expense		142,113	83,281	13,415	238,809
Donor recognition			59		59
Dues and subscriptions			120		120
Emergency grants	\$ 26,396				26,396
Faculty and staff awards	7,000				7,000
Hospitality			77		77
Insurance			1,588		1,588
License and permits			60		60
Meals				455	455
Office			172		172
Postage			18		18
Professional services			21,600		21,600
Purchased services for events			211	12,059	12,270
Scholarship awards	109,921				109,921
Software maintenance				700	700
Supplies			91	8,141	8,232
Donated goods provided to Clover Park Technical College (CPTC)		113,489			113,489
Travel			50		50
Total expenses	143,317	264,184	111,293	38,407	557,201
Less cost of direct donor benefit reported with special events revenue in the Statement of Activities				20,955	20,955
Total Expenses reported on the Statement of Activities	<u>\$ 143,317</u>	<u>\$ 264,184</u>	<u>\$ 111,293</u>	<u>\$ 17,452</u>	<u>\$ 536,246</u>

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

# CLOVER PARK TECHNICAL COLLEGE FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 422,674	\$ 465,394
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized gain on investments, net	(204,609)	(242,355)
Dividends and interest, net of investment expenses	(41,644)	(43,022)
Contributions restricted to endowment		(160,709)
Changes in:		
Accounts receivable	9,983	1,507
Donated goods inventory	4,651	(1,998)
Accrued liabilities		(1,750)
Net Cash Provided by Operating Activities	<u>191,055</u>	<u>17,067</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	90,903	328,744
Purchases of investments	(83,500)	(327,066)
Reinvested dividends and interest		(43,022)
Net Cash Provided (Used) by Investing Activities	<u>7,403</u>	<u>(41,344)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from endowment contributions		<u>160,709</u>
Net Cash Provided by Financing Activities		<u>160,709</u>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<u>198,458</u>	<u>136,432</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	<u>863,529</u>	<u>727,097</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR (see Note 10)</b>	<u>\$ 1,061,987</u>	<u>\$ 863,529</u>

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

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### ***Description of Organization***

Clover Park Technical College Foundation (the Foundation) is a nonprofit organization dedicated to the needs of Clover Park Technical College (the College) students and programs. Established in 1992, the Foundation is overseen by a volunteer board of at least 10 and up to 24 members from the surrounding community and industries which are served by the College. The Foundation's mission is to raise funds for the College to better enable the College to provide students with the knowledge, skills and values necessary to succeed in the workforce of today and tomorrow. The Foundation's office is located in Lakewood, Washington.

##### ***Agreement with Clover Park Technical College***

The Foundation operates under a Memorandum of Understanding (MOU), which began in 1993 and was updated in February 2015. The MOU allows the Foundation to raise and hold economic resources for the direct benefit of the College, which is a governmental unit. In exchange, the College provides the Foundation with resources to operate the Foundation (see Note 9). Due to the significance of the financial relationship with the College, in accordance with Governmental Accounting Standards Board (GASB) No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment to GASB No. 14, the Foundation is included as a component unit in the College's comprehensive annual financial report. Funds of the Foundation are neither subject to the State of Washington appropriation process nor are held in the State treasury and are not owned by the State.

##### ***Basis of Presentation***

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) industry topic applicable to Not-for-Profit Entities. In accordance with the FASB ASC topic, the Foundation reports information regarding its financial position and activities according to two classes of net assets:

##### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use in general operations and are not subject to donor restrictions.

##### ***Net Assets With Donor Restrictions***

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events as specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

## **CLOVER PARK TECHNICAL COLLEGE FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2024 and 2023

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

##### ***Basis of Presentation*** (Continued)

Support and contributions are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

##### ***Cash and Cash Equivalents***

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### ***Accounts Receivable***

The Foundation's pledges are contributions from individuals and corporations which are available for general or specific uses. The Foundation provides for expected credit losses on pledges and accounts receivable based on analysis of specific donors or customers, age of past due amounts, and expected impact of future events. It is the Foundation's policy to charge off uncollectible pledges and accounts receivable when management determines the receivable will not be collected. Management has determined that accounts receivable are fully collectible; accordingly, no allowance has been recorded. Accounts receivable totaled \$12,848 at December 31, 2022 and was deemed to be fully collectible.

##### ***Donated Goods Inventory***

Donated goods inventory is recorded at its fair value on the date of donation. Donated goods inventory primarily includes assets which will be transferred, at a later date, to the College for programmatic or administrative use. Donated goods inventory also includes smaller items that will either be consumed or sold by the Foundation.

##### ***Investments***

Investments are stated at fair value. The Foundation follows the investment objectives and spending guidelines contained in a formal investment policy for the endowment account.

## **CLOVER PARK TECHNICAL COLLEGE FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2024 and 2023

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

##### ***Contributions***

Contributions, including unconditional promises to give, are recognized in the period received. Contributions of assets other than cash are recorded at their estimated fair value when originally pledged or donated. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

##### ***Endowment Management Fee Income***

The Foundation instituted a management fee policy in order to help fund the cost of managing restricted funds. Per the policy, endowment funds are assessed a 1% annual management fee calculated using the three year rolling average of the market value of each endowed fund. Donor designated contributions are assessed a one-time fee of 5%, excluding gifts for scholarships.

##### ***Donated Services and Facilities***

In consideration of the Foundation's efforts on behalf of Clover Park Technical College, the College has agreed to provide the Foundation office space, furniture and equipment, supplies, and the use of certain services available through the College's resources. Clover Park Technical College also provides staff services to the Foundation including the Executive Director and support staff. The College's budgeted value of these support services was \$235,000 for both years ended December 31, 2024 and 2023. This may differ from the actual support provided to the Foundation (see Note 9).

The Foundation receives a substantial amount of services from volunteers. No amounts have been reflected in the financial statements for those noncash services since they do not meet the criteria for recognition. However, the volunteer services are an important part of the Foundation's program services and other activities.

##### ***Fundraising Activities***

Fundraising activities generally are comprised of transactions which include both a contribution and exchange component. The FASB ASC requires that a not-for-profit entity determine the fair value of the exchange portion of the transaction first, and report the remaining portion of the transaction (excess of the resources received by the donor over the fair value of the exchange portion) as a contribution.

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### ***Fundraising Activities*** (Continued)

Fundraising and special events activities are comprised of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Special event donations	\$ 92,379	\$ 71,645
Special event revenue	<u>22,254</u>	<u>28,239</u>
	114,633	99,884
Less cost of direct benefit to donors	<u>(42,311)</u>	<u>(20,955)</u>
Total Special Events, net	<u>\$ 72,322</u>	<u>\$ 78,929</u>

##### ***Allocation of Functional Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs, management and general and fundraising based on the benefits derived. The primary allocated costs are the in-kind services and facilities provided, and are allocated using percentages based on the relative time spent or resources utilized in each function.

##### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Federal Income Tax***

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation has not identified any transactions that are subject to unrelated business income tax.

##### ***Reclassifications***

Certain prior year amounts and disclosures have been reclassified to conform to the current year presentation. These reclassifications had no impact on the prior year change in net assets.

##### ***Subsequent Events***

Management has evaluated subsequent events through June 6, 2025 which is the date that the financial statements are available to be issued.

## **CLOVER PARK TECHNICAL COLLEGE FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2024 and 2023

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

##### ***Summarized Information for 2023***

The financial statements include certain prior period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2023, from which the summarized information is derived.

#### **NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that obligations under endowments with donor restrictions will continue to be met, ensuring the sustainability of the Foundation.

The Foundation receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used primarily to fund scholarship awards and emergency grants. In addition, the Foundation receives support without donor restrictions. Such support typically does not exceed total annual funding needs.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include general and administrative expenses and fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for management and general, and fundraising expenses plus an amount that represents the expected payments for scholarships and grants.



## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The table below presents financial assets available for general expenditures within one year of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,060,053	\$ 863,149
Accounts receivable	<u>1,358</u>	<u>11,341</u>
Total	<u>\$ 1,061,411</u>	<u>\$ 874,490</u>

#### NOTE 3 - FAIR VALUE MEASUREMENTS

The Foundation uses the FASB ASC topic for *Fair Value Measurement* which establishes a fair value hierarchy for reporting that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable units other than quoted prices for identical assets; and Level 3 inputs have the lowest priority. There were no Level 2 or Level 3 inputs applied to the Foundation's accounts.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its financial instruments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves and other relevant information.

#### NOTE 4 - INVESTMENTS

The Foundation maintains three "pooled" investment accounts for its donor-restricted endowments at December 31, 2024 and 2023.

##### ***Donor-Restricted Endowments***

The Foundation's pooled investments primarily consists of named endowment funds, which were established for educational and recognition purposes (see Note 8). As required by the FASB ASC industry topic applicable to *Not-for-Profit Entities*, net assets associated with the endowments funds are classified and reported based on the existence or absence of donor-imposed restrictions.

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 4 - INVESTMENTS (Continued)

##### ***Interpretation of SPMIFA***

The Board of Directors has interpreted the Washington State Prudent Management of Institutional Funds Act (SPMIFA) 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 classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

In accordance with SPMIFA, 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 or deflation, (5) the expected rate of total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policy.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Foundation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

##### ***Allocation of Investment Income***

Realized and unrealized gains and losses from securities in the pooled investment account are allocated to the individual endowments based on the relationship of the fair value of each endowment to the total fair value of the pooled investment account, as adjusted for additions to or deductions from those accounts, such as for scholarships and grants awarded. Investments are stated at their fair value.

Investments consist of the following at December 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash held in brokerage accounts (see Note 5)	\$ 102,501	\$ 102,501	\$ 84,915	\$ 84,915
Money market funds	107,973	107,973	95,000	95,000
Equities	635,288	1,011,830	649,646	854,079
Mutual funds	447,570	541,716	446,918	506,478
Fixed income funds	110,230	108,412	41,531	39,684
Real estate investment trusts	22,809	23,980	25,245	29,443
Bonds	717,778	683,836	772,480	714,213
Total investments	<u>\$ 2,144,149</u>	<u>\$ 2,580,248</u>	<u>\$ 2,115,735</u>	<u>\$ 2,323,812</u>

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 4 - INVESTMENTS (Continued)

##### ***Investment Income***

Investment income consists of the following for the years ended December 31:

	2024		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Dividends and interest	\$ 14,675	\$ 56,311	\$ 70,986
Unrealized gain, net		222,194	222,194
Investment fees		(14,666)	(14,666)
Total	<u>\$ 14,675</u>	<u>\$ 263,839</u>	<u>\$ 278,514</u>
	2023		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Dividends and interest	\$ 5,080	\$ 50,115	\$ 55,195
Unrealized gain, net		242,355	242,355
Investment fees		(12,173)	(12,173)
Total	<u>\$ 5,080</u>	<u>\$ 280,297</u>	<u>\$ 285,377</u>

##### ***Investment Policy***

The Foundation has an investment committee which is responsible for the management and investment allocation of funds, in accordance with their investment policy. Investments are made to secure financial gains for the benefit of the Foundation and its commitments through consideration of capital preservation and risk aversion. The policy contains guidelines regarding the types of assets to be maintained in the portfolio as well as guidelines about prohibited transactions. In addition, the Foundation has an endowment expenditure policy, which provides procedures to compute annual expenditures, based on a rolling average. If there are no earnings available, no distribution is made.

##### ***Composition***

Investment composition, by restriction, at year end is as follows at December 31:

	<u>2024</u>	<u>2023</u>
Without donor restrictions (see Note 6)	\$ 700,302	\$ 700,302
With donor restrictions	<u>1,879,946</u>	<u>1,623,510</u>
Total	<u>\$ 2,580,248</u>	<u>\$ 2,323,812</u>

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 4 - INVESTMENTS (Continued)

##### ***Reconciliation of Investments***

A reconciliation of the assets held in the endowment pooled investment accounts is as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 2,323,812	\$ 2,031,754
Contributions		160,709
Distributions	(90,903)	(23,044)
Purchases	83,500	179,796
Proceeds		(305,700)
Dividends and interest	56,311	50,115
Unrealized gain, net	222,194	242,355
Investment fees	<u>(14,666)</u>	<u>(12,173)</u>
Ending balance	<u>\$ 2,580,248</u>	<u>\$ 2,323,812</u>

#### NOTE 5 - CASH HELD IN BROKERAGE ACCOUNTS

Investments include cash deposits held in brokerage accounts (see Notes 4 and 10). These funds are designated for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Exceptional Faculty Fund	\$ 3,352	\$ 4,230
Regular Endowment Fund	79,134	75,833
Title III Funds	<u>20,015</u>	<u>4,852</u>
Total Cash Held in Brokerage Accounts	<u>\$ 102,501</u>	<u>\$ 84,915</u>

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 6 - BOARD-DESIGNATED NET ASSETS

The board authorizes certain reserves to be set aside as board-designated, unrestricted net assets. The amounts are set aside for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Board-designated endowment funds:		
Adriatic Grill board match	\$ 5,500	\$ 5,500
Autobody Craftsman	271	271
Classic Glass Corvette	5,000	5,000
Emergency grants board match	79,131	79,131
Eva Gordon	530,860	530,860
Instructional program endowment	36,736	36,736
Jolly-Morse Scholarship	5,000	5,000
KVTI	20,645	20,645
McManus-McGavick	7,030	7,030
South Tacoma Rotary	5,000	5,000
Thomas Kay Parks	2,000	2,000
WA State Histology Society	1,129	1,129
Woodworth	<u>2,000</u>	<u>2,000</u>
	700,302	700,302
Operating reserves (see Note 2)	<u>51,308</u>	<u>47,827</u>
Total	<u>\$ 751,610</u>	<u>\$ 748,129</u>

The board designated net assets are held in cash and cash equivalent accounts as well as in pooled investment accounts. The amount held in pooled investment accounts was \$700,302 for the years ended December 31, 2024 and 2023.

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Certain net assets with donor restrictions are available for scholarships, emergency grants and specific program uses as follows at December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure or time restrictions:		
Academic programs and staff/faculty awards	\$ 107,373	\$ 113,902
Endowment matching fund contributions *	150,000	150,000
Scholarships and student emergency assistance	370,525	289,442
Donated goods	42,019	46,470
Investment earnings restricted for future scholarships and grants	<u>278,514</u>	<u>278,073</u>
Total subject to expenditure or time restrictions	1,121,198	877,887
Endowments to be held in perpetuity:		
Scholarships, awards and emergency assistance (see Note 8)	<u>1,314,540</u>	<u>1,229,158</u>
Total net assets with donor restrictions	<u>\$ 2,262,971</u>	<u>\$ 2,107,045</u>

- \* Funds were received from the U.S. Department of Education in prior years under the Title III program. The funds were made available to the Foundation to grow the endowment, which generates income for scholarships and grants to be made available to eligible applicants. If the funds are used for the intended purpose for 20 years, the original matching Title III grant becomes unrestricted. The Foundation Board provided a commitment to donors, who contributed to the permanently restricted endowment, that once the temporary restriction on the Title III funds was met, the Foundation Board would continue to hold the original Title III award in the endowment account as board designated net assets. The Title III temporary restriction expires in March 2025.

#### NOTE 8 - NAMED ENDOWMENT ACCOUNTS

The Foundation informs its donors that there is a \$12,000 minimum amount required before a separate named endowment account may be established. This minimum threshold can be met with both restricted donor contributions and otherwise unrestricted funds (Board designations). All named endowment accounts are pooled together for investment purposes.

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 8 - NAMED ENDOWMENT ACCOUNTS (Continued)

Named endowment accounts are comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
Adriatic Grill	\$ 5,770	\$ 5,770
Autobody Craftsman	24,729	24,729
Brenden Emerging Needs	30,499	30,499
Brenden Horticulture and Environmental Science	71,164	71,164
Broxon White	36,500	35,500
Classic Glass Corvette	19,100	19,100
Clifford Lincoln	51,000	26,000
Clover Park/LeMay Restoration	30,000	30,000
Clover Park Rotary	6,400	6,400
Dr. Sharon McGavick	17,423	17,423
Earl C. White Williamson	54,904	54,904
Elliot/Patrick Endowment	48,000	48,000
Emergency Grants	83,927	82,619
Exceptional Faculty	80,000	80,000
Goranson Memorial	10,358	10,358
Greg and Louise Hull	25,000	25,000
Hamilton Family	101,000	101,000
Harkness Family	225,268	194,539
Jeffrey Lee Davis	17,800	17,800
Jolly-Morse Scholarship	13,004	12,084
Kayce JoAnna White	37,000	37,000
Leila Bishuti Lee	7,009	7,009
Lincoln Park Masonic Lodge #80	15,000	15,000
McGranahan	19,065	19,065
McManus-McGavick	22,676	22,676
Mt. Tahoma	21,186	18,086
Nivicky Lee Family Endowment	10,000	10,000
Ott Ladd Endowment	12,000	12,000
Pauline Burton Memorial	11,500	11,500
Rainier Pacific Bank	10,000	10,000
Schoonmaker, Linda J. and Ronald A.	10,750	10,750
Senator Winsley	10,000	10,000
Sharpe Memorial	15,973	15,973
Sonntag Family Scholarship	14,170	14,170
South Tacoma Rotary	25,000	23,000
Steven W. Hanson Scholarship Endowment	24,000	24,000
Ted James Broussard Endowment for Emergency	20,145	
Thomas Kay Parks Endowment Scholarship	10,000	10,000
US West	20,000	20,000
Washington Restaurant	10,000	10,000

## CLOVER PARK TECHNICAL COLLEGE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### NOTE 8 - NAMED ENDOWMENT ACCOUNTS (Continued)

	<u>2024</u>	<u>2023</u>
Washington State Histology Society	\$ 10,871	\$ 10,871
Wendy Joseph Cares	16,349	15,169
Woodworth	<u>10,000</u>	<u>10,000</u>
Total	<u>\$ 1,314,540</u>	<u>\$ 1,229,158</u>

#### NOTE 9 - AFFILIATED ENTITY

##### ***Agreement***

The Foundation operates under an MOU with the College (see Note 1). This agreement is for an indefinite period, but may be terminated by either party with 90 days' advance notice and notification may only be given at the end of the State of Washington's fiscal biennium.

##### ***Support Received by College***

The College budgeted \$235,000 annually for the fair value of office space, furniture and equipment, supplies and related office expenses as well as for professional staff to operate the Foundation for both of the years ended December 31, 2024 and 2023. The value of these services received by the Foundation approximated \$287,000 and \$239,000 for the years ended December 31, 2024 and 2023, respectively.

##### ***Foundation Support Provided to College***

The Foundation provided support totaling \$417,080 and \$407,501 for the years ended December 31, 2024 and 2023, respectively, for student and direct program support, College-related functions and general promotion and recognition activities. This support includes donated goods received by the Foundation, which were transferred to the College for use in programs and general operations.

#### NOTE 10 - STATEMENT OF CASH FLOWS

Cash and cash equivalents and restricted cash consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 957,552	\$ 778,234
Cash held in brokerage accounts (see Note 5)	102,501	84,915
Cash restricted to endowments	<u>1,934</u>	<u>380</u>
Cash, cash equivalents and restricted cash as shown on the statements of cash flows	<u>\$ 1,061,987</u>	<u>\$ 863,529</u>



## **CLOVER PARK TECHNICAL COLLEGE FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2024 and 2023

#### **NOTE 10 - STATEMENT OF CASH FLOWS (Continued)**

Restricted cash represents amounts received with donor-imposed restrictions that limit the use of the cash to a named endowment account. Such amounts are transferred to the pooled investment account shortly after year-end.

#### **NOTE 11 - CONCENTRATIONS**

##### ***Concentration of Credit Risk***

At times, the Foundation may have deposits at financial institutions in excess of federally insured limits. Management has not experienced any losses and believes there is minimal risk associated with these cash balances. At December 31, 2024, bank deposits did not exceed the limit and insured deposits in brokerage accounts exceeded the limit by \$557,000.

##### ***Support***

The Foundation receives the majority of its contributions from staff, faculty, alumni, local businesses, and the community.

The Foundation receives substantially all of its staff and faculty resources through an agreement with the College.

#### **NOTE 12 - RISKS AND UNCERTAINTIES**

The Foundation invests in various investment securities and is the beneficiary of a trust, which invests in various securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts available for future operations.