POLK STATE COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024



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POLK STATE COLLEGE FOUNDATION, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT	**1**
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	**4**
STATEMENTS OF ACTIVITIES	**5**
STATEMENTS OF FUNCTIONAL EXPENSES	**7**
STATEMENTS OF CASH FLOWS	**9**
NOTES TO FINANCIAL STATEMENTS	**10**
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**22**
SCHEDULE OF FINDINGS	**24**
INDEPENDENT ACCOUNTANTS' REPORT	**25**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Polk State College Foundation, Inc.
Winter Haven, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Polk State College Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Polk State College Foundation, Inc. as of December 31, 2025 and 2024, and the results of its operations 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Polk State College Foundation, Inc. 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 Polk State College Foundation, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Polk State College Foundation, Inc.'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 Polk State College Foundation, Inc.'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.

Board of Directors
Polk State College Foundation, Inc.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing* Polk State College Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Polk State College Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Polk State College Foundation, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 18, 2026

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 4,423,017	$ 6,856,036
Current Portion of Unconditional Promises to Give, Net	1,353,789	1,350,698
Current Portion of Beneficial Interests in Trusts	29,663	29,499
Current Portion of Notes Receivable, Net	9,072	10,900
Other Current Assets	244,344	64,940
Total Current Assets	6,059,885	8,312,073
OTHER ASSETS		
Unconditional Promises to Give, Net of Current Portion	-	1,162,839
Investments	48,374,097	40,940,042
Beneficial Interests in Trusts, Net of Current Portion	803,282	818,719
Notes Receivable, Net of Current Portion	115,335	133,198
Nondepreciable Capital Assets	32,782	32,782
Total Other Assets	49,325,496	43,087,580
Total Assets	$ 55,385,381	$ 51,399,653
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 688,255	$ 1,619,973
NET ASSETS		
Without Donor Restrictions		
Board Designated	1,125,726	1,125,726
Undesignated	441,797	793,831
Total Without Donor Restrictions	1,567,523	1,919,557
With Donor Restrictions	53,129,603	47,860,123
Total Net Assets	54,697,126	49,779,680
Total Liabilities and Net Assets	$ 55,385,381	$ 51,399,653

See accompanying Notes to Financial Statements.

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES) AND SUPPORT			
Private Contributions	$ 41,879	$ 1,465,829	$ 1,507,708
In-Kind Contributions	956,441	38,839	995,280
Special Events, Net of Cost of Direct Benefits to Donors of $318,159	-	152,010	152,010
Interest and Dividends, Net	-	1,283,937	1,283,937
Net Realized and Unrealized Gain on Investments	-	5,052,760	5,052,760
Change in Value of Beneficial Interests in Trust		(15,273)	(15,273)
Other Revenue, Net	9,703	-	9,703
Net Assets Released from Restrictions			
Program Support	2,708,622	(2,708,622)	-
Administrative Support	-	-	-
Total Revenues, Gains, and Support	3,716,645	5,269,480	8,986,125
EXPENSES			
Program	2,822,696	-	2,822,696
Management and General	484,281	-	484,281
Fundraising	761,702	-	761,702
Total Expenses	4,068,679	-	4,068,679
CHANGE IN NET ASSETS	(352,034)	5,269,480	4,917,446
Net Assets - Beginning of Year	1,919,557	47,860,123	49,779,680
NET ASSETS - END OF YEAR	$ 1,567,523	$ 53,129,603	$ 54,697,126

See accompanying Notes to Financial Statements.

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND SUPPORT			
Private Contributions	$ 30,904	$ 4,200,005	$ 4,230,909
In-Kind Contributions	702,572	69,167	771,739
Special Events, Net of			
Cost of Direct Benefits to Donors of $210,382	-	375,312	375,312
Interest and Dividends, Net	-	842,866	842,866
Net Realized and Unrealized Gain on Investments	-	3,636,406	3,636,406
Change in Value of Beneficial Interests in Trust		14,127	14,127
Other Revenue, Net	3,164	-	3,164
Net Assets Released from Restrictions			
Program Support	2,391,217	(2,391,217)	-
Administrative Support	838,226	(838,226)	-
Total Revenues, Gains, and Support	3,966,083	5,908,440	9,874,523
EXPENSES			
Program	2,491,708	-	2,491,708
Management and General	371,468	-	371,468
Fundraising	608,508	-	608,508
Total Expenses	3,471,684	-	3,471,684
CHANGE IN NET ASSETS	494,399	5,908,440	6,402,839
Net Assets - Beginning of Year	1,425,158	41,951,683	43,376,841
NET ASSETS - END OF YEAR	$ 1,919,557	$ 47,860,123	$ 49,779,680

See accompanying Notes to Financial Statements.

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Scholarships	$ 1,506,951	$ -	$ -	$ 1,506,951
Salaries and Benefits	260,400	265,228	371,372	897,000
Professional Services	70,165	171,830	102,634	344,629
Event Supplies	-	-	199,194	199,194
Direct Donor Benefits	-	-	318,159	318,159
College Supplies Expense	455,090	-	-	455,090
Supplies and Materials	3,175	361	-	3,536
Other Operating Expenses	405,822	15,686	15,824	437,332
Rent and Utilities	76,607	16,445	22,148	115,200
Travel, Meetings, and Dinners	4,148	3,250	9,748	17,146
Equipment and Construction	32,893	3,947	40,782	77,622
Dues, Licenses, and Fees	7,445	7,534	-	14,979
Total Expenses	2,822,696	484,281	1,079,861	4,386,838
Less: Direct Special Event Expenses	-	-	318,159	318,159
Total Expenses Presented on the Statement of Activities	$ 2,822,696	$ 484,281	$ 761,702	$ 4,068,679

See accompanying Notes to Financial Statements.

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Scholarships	$ 1,376,524	$ -	$ -	$ 1,376,524
Salaries and Benefits	202,888	206,650	289,351	698,889
Professional Services	55,759	136,550	81,562	273,871
Event Supplies	-	-	185,876	185,876
Direct Donor Benefits	-	-	210,382	210,382
College Supplies Expense	669,243	-	-	669,243
Supplies and Materials	5,027	572	-	5,599
Other Operating Expenses	86,457	3,342	3,371	93,170
Rent and Utilities	76,607	16,445	22,148	115,200
Travel, Meetings, and Dinners	5,009	3,925	11,772	20,706
Equipment and Construction	11,637	1,396	14,428	27,461
Dues, Licenses, and Fees	2,557	2,588	-	5,145
Total Expenses	$2,491,708	371,468	818,890	$3,682,066
Less: Direct Special Event Expenses	-	-	210,382	210,382
Total Expenses Presented on the Statement of Activities	$ 2,491,708	$ 371,468	$ 608,508	$ 3,471,684

See accompanying Notes to Financial Statements.

POLK STATE COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 4,917,446	6,402,839
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Contribution Restricted for Endowment	(176,477)	(224,097)
Change in Discount to Present Value of Unconditional Promises to Give	182,161	(82,327)
Net Realized and Unrealized (Gain) Loss on Investments	(5,052,760)	(3,636,406)
Change in Value of Beneficial Interests in Trusts	15,273	(14,127)
(Increase) Decrease in Operating Assets:		
Unconditional Promises to Give	977,587	(1,131,614)
Other Current Assets	(179,404)	(50,438)
Increase in Liabilities:		
Accounts Payable and Accrued Expenses	(931,718)	(521,264)
Net Cash (Used) Provided by Operating Activities	(247,892)	742,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Notes Receivable Issued to Students	(10,673)	(9,786)
Notes Receivable Repayments	30,364	30,364
Purchases of Investments	(5,501,538)	(6,786,834)
Proceeds from Sale of Investments	3,120,243	8,295,153
Net Cash (Used) Provided by Investing Activities	(2,361,604)	1,528,897
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution Restricted for Endowment	176,477	224,097
Net Cash Provided by Financing Activities	176,477	224,097
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,433,019)	2,495,560
Cash and Cash Equivalents - Beginning of Year	6,856,036	4,360,476
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,423,017	$ 6,856,036

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Polk State College Foundation, Inc. (the Foundation) was established in 1976 as a nonprofit, tax-exempt organization. The Foundation is a direct-support organization operating exclusively for the benefit of Polk State College (the College) and is considered a component unit of the College.

The Foundation's principal operating activity is soliciting contributions to provide financial support to the College. This financial support is accomplished by providing scholarships and loans to students, supporting the athletic program, providing funds for use in health related, technology, and other education programs, and subsidizing other college goals.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenue, gains, other and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market accounts. The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investment return consists of interest and dividend income and realized and unrealized gains or losses, less external investment expenses.

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the dividend date.

Nondepreciable Capital Assets

Nondepreciable capital assets consist of artwork purchased or donated to the Foundation. They are capitalized and carried at cost if purchased or fair value on the date of the gift if donated.

Notes Receivable and Allowance for Credit Losses

Notes receivable represent student loans made under the Foundation’s loan program. Notes receivable are reported net of an allowance for credit losses. The adoption of the current expected credit loss methodology in 2023 (CECL) resulted in changes to the Foundation's accounting policies, including the recognition of an allowance based on expected future credit losses, rather than historically incurred credit losses. The Foundation also updated its accounting policies for determining the recoverability of loans, and other financial assets.

As of December 31, 2025 and 2024, management believes no allowance for notes receivable is considered necessary. While management uses available information to estimate losses on notes, changes in economic conditions may necessitate revision of the estimate in future years.

Beneficial Interests in Trusts

Beneficial interests in assets held by third parties in charitable remainder annuity trusts and charitable remainder unitrust are recorded as contributions with donor restrictions at fair value when received. Changes in the fair value of charitable remainder annuity trusts are determined using discounted estimated future cash flows and actuarial assumptions, and recorded as change in value of split interest agreements in the statement of activities. Upon death of the survivor recipient, the remainder interest of charitable remainder annuity trusts are released from restriction and reclassified to net assets without restrictions. There are no donor-imposed restrictions on the use of the funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Trusts(Continued)

Beneficial interests in assets held by third parties in perpetual trusts are recorded at fair value as contributions with donor restrictions when received. Fair value is determined using discounted future cash flows, with life expectancy estimated using Internal Revenue Service tables and a discount rate of 3.45% and 4.53% for the years ended December 31, 2025 and 2024, respectively. Changes in the fair value of perpetual trusts are recorded as change in value of split interest agreements in the statement of activities. Distributions are recorded as contributions with donor restrictions, due to donor-imposed use restrictions.

Unconditional Promises to Give

Unconditional promises to give are recorded when the promises to contribute are made. Unconditional promises to give which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The Foundation provides an allowance for uncollectible pledges based on management's assessment of the collectability of specific unconditional promises to give and historical collection experience.

In-Kind Contributions

Contributions of donated assets and services are recorded at their estimated fair value at the date of receipt and are reflected as contributions in the accompanying statement of activities. Contributions of services are recognized only if such services create or enhance nonfinancial assets, would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills and would otherwise be purchased by the Foundation. The Foundation received in-kind contributions of salaries and facilities from Polk State College that are included in the statement of activities. The salaries and facilities are used in carrying out the Foundation's programs. The Foundation estimates the fair value of the services and facilities on the basis of estimates of the current market rates for similar services and facilities in the Foundation's market.

Special event donated items are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on management's estimate of the relative functional activity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Foundation has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Foundation would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Fair Value of Financial Instruments

The Foundation reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 − Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 − Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 − Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, unconditional promises to give due in one year or less, notes receivable, accounts payable and accrued expenses.

The Foundation's Level 1 financial instruments consist of investments as identified in Note 3 and are valued based on quoted market prices.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

The Foundation's Level 2 financial instruments consist of investments as identified in Note 3 and are valued based on readily available market prices for similar assets. The fair value of beneficial interest in trust assets is based on a valuation model incorporates assumptions that market participants would use in estimating future distributable income. The Foundation values its beneficial interest at the discounted present value of estimated future distributions it expects to received (Level 3).

Reclassifications and Revisions

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Certain revisions of amounts previously reported in this footnote have been made to the accompanying financial statements. The disclosure of the financial assets available for general expenditures for the prior year has been revised to $2,215,756. The revision had no impact on previously reported net assets.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2025, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2025. Management has performed their analysis through May 18, 2026, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and Cash Equivalents	$ 4,423,017	$ 6,856,036
Unconditional Promises to Give	1,353,789	1,350,698
Notes Receivable	9,072	10,900
Investments	48,374,097	40,940,042
Subtotal	54,159,975	49,157,676
Less: Donor Restrictions	(52,148,451)	(45,816,194)
Less: Board Designations	(1,125,726)	(1,125,726)
Total	$ 885,798	$ 2,215,756

The Foundation endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of investments and assets measured at fair value on a recurring basis consists of the following for the years ended December 31:

	2025			
	Total Market and Carrying Value	Quoted Prices in Active Markets for Identified Assets (Level One)	Significant Other Observable Inputs (Level Two)	Unobservable Inputs (Level Three)
Investment Securities at Fair Value				
Mutual Stock Funds	$ 31,275,734	$ 31,275,734	$ -	$ -
Mutual Bond Funds	10,424,785	10,424,785	-	-
Individual Bonds	4,509,241	-	4,509,241	-
Interval Funds	2,164,337	-	2,164,337	-
Total Investment Securities at Fair Value	48,374,097	41,700,519	6,673,578	-
Beneficial Interest in Trust Assets	832,945	-	-	832,945
Total Assets	$ 49,207,042	$ 41,700,519	$ 6,673,578	$ 832,945

	2024			
	Total Market and Carrying Value	Quoted Prices in Active Markets for Identified Assets (Level One)	Significant Other Observable Inputs (Level Two)	Unobservable Inputs (Level Three)
Investment Securities at Fair Value				
Mutual Stock Funds	$ 25,621,550	$ 25,621,550	$ -	$ -
Mutual Bond Funds	9,051,276	9,051,276	-	-
Individual Bonds	3,846,137	-	3,846,137	-
Interval Funds	2,421,079	-	2,421,079	-
Total Investment Securities at Fair Value	40,940,042	34,672,826	6,267,216	-
Beneficial Interest in Trust Assets	848,218	-	-	848,218
Total Assets	$ 41,788,260	$ 34,672,826	$ 6,267,216	$ 848,218

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024. There were no transfers in or out of Level 3 investments.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements using significant unobservable inputs:

	2025	2024
Beginning Balance at January 1	$ 848,218	$ 834,091
Change in Valuation of Future Interest in Trust Assets	(15,273)	14,127
Ending Balance at December 31	$ 832,945	$ 848,218

The unrealized gains and losses recorded in the accompanying statements of activities as "net realized and unrealized gain" for revenue with restrictions for the years ended December 31, 2025 and 2024 related to Level 3 assets that are still held at December 31, 2025 and 2024.

NOTE 4 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are due as follows at December 31:

	2025	2024
Less than One Year	$ 1,353,789	$ 1,350,698
One to Five Years	-	1,345,000
Total	1,353,789	2,695,698
Less: Discounts to Net Present Value (0% and 4.78%, respectively)	-	(182,161)
Net Unconditional Promises to Give	$ 1,353,789	$ 2,513,537

Current and noncurrent portions of unconditional promises to give are as follows at December 31:

	2025	2024
Net Unconditional Promises to Give	$ 1,353,789	$ 2,513,537
Less: Current Portion	(1,353,789)	(1,350,698)
Total	$ -	$ 1,162,839

NOTE 5 NOTES RECEIVABLE

Notes receivable represent loans administered for students of Polk State College. The current amount due of approximately $9,000 and $11,000 at December 31, 2025 and 2024, respectively, represents the estimated portion of loan payments receivable in less than one year from (1) students participating in the public safety program who are currently seeking degrees as employees of the local police and fire departments and (2) students who are expecting federal assistance within a few months and qualified for "bridging loans".

The noncurrent amount of notes receivable of approximately $115,000 and $133,000 at December 31, 2025 and 2024, respectively, represents the estimated portion of loan payments due in more than one year from those students who are repaying loans or who are expected to repay loans at a future date, as well as the portion of the loans that have been made to students who are currently in the public safety program or who are working at the local police or fire department fulfilling the work requirement of the loans. The noncurrent amount of loans to students in the public safety program may be forgiven in the future if the recipient meets such criteria as graduation from the college and employment for a certain time at the local police or fire department.

Notes receivable are presented net of an allowance for credit losses. For the years ended December 31, 2025 and 2024, respectively the Foundation does not have any current expected credit loss recorded, as the entire balance is deemed collectible.

NOTE 6 SCHOLARSHIPS

The Foundation offers a variety of scholarship opportunities for students. Students may use their scholarships for tuition, fees, books or other items as stipulated by the donor. Funds not expended may remain in the student’s account to be used in future academic terms, revert to the Foundation for awarding to another student or returned to the donor. As the scholarships are awarded and paid, they are recorded as scholarships within program expense on the statements of functional expenses and statements of activities. The expense recorded for scholarships for the years ended December 31, 2025 and 2024, amounted to approximately $1,507,000 and $1,377,000 respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, the Foundation received the following support totaling approximately $956,000 and $703,000, respectively, from the College: salaries and related benefits for Foundation personnel paid by the College approximately $841,000 and $587,000, and rental value of approximately $115,000 and $115,000 for use of the College’s facilities. These amounts are included as in-kind contributions revenues, as expenses in program, management and general and fundraising in the statements of activities and as salaries and benefits, rent, and utilities in the statements of functional expenses.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2025	2024
Subject to Expenditure for Specific Purpose		
Scholarships, Grants and Programs	$ 8,593,858	$ 7,290,832
Invested in Capital Assets	32,782	32,782
Total	8,626,640	7,323,614
Subject to Passage of Time		
Present Value of Future Interests in Trust	832,945	848,218
Notes Receivable	124,407	144,098
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditures Until Due	1,355,248	2,514,996
Total	2,312,600	3,507,312
Endowments		
Not Subject to Spending Policy or Appropriation:		
Endowment Held in Perpetuity	25,568,526	25,392,049
Subject to Appropriation and Expenditure When a Specific Event Occurs		
Restricted by Donors for		
Scholarships, Awards, Grants, and Loans	16,621,837	11,637,148
Total Endowments	42,190,363	37,029,197
Total Net Assets with Donor Restrictions	$ 53,129,603	$ 47,860,123

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31:

	2025	2024
Satisfaction of Purpose Restrictions		
Scholarships, Awards, Grants, and Loans	$ 2,708,622	$ 2,391,217
Academic Program Support	-	-
Foundation Administration Fee	-	838,226
Total Net Assets Released from Donor Restrictions	$ 2,708,622	$ 3,229,443

NOTE 9 ENDOWMENT

The Foundation has donor restricted endowment funds which consist of investments held in perpetuity with the income restricted for scholarships, teaching chair awards, capital projects, technology and equipment, and classroom materials supporting Polk State College academic programs. The principal is recorded as donor restricted in perpetuity which must be maintained permanently and not be used up, expended or otherwise exhausted. The earnings on the donor restricted endowment funds are recorded as donor restricted net assets until appropriated for expenditure by the board and spent for their intended purpose at which time they are released from restriction.

The Foundation also maintains various board-designated endowment funds to further its mission which are classified as without donor restrictions on the statement of financial position.

The Foundation's board of directors has interpreted relevant state law, which is Chapter 617.2104, Florida Statutes, the Florida Uniform Prudent Management of Institutional Funds Act (Florida 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 classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with Florida UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The purposes of the Foundation
2) The intent of the donors of the endowment fund
3) The terms of the applicable instrument
4) The long-term and short-term needs of the Foundation carrying out its purposes
5) The general economic conditions
6) The possible effect of inflation or deflation
7) The other revenue sources of the Foundation
8) Perpetuation of the endowment

The objectives of the Foundation's investment policy are (1) to preserve the purchasing and spending power of the Foundation over the investment horizon with the emphasis placed on minimizing return volatility; and (2) to emphasize long-term growth of principal while avoiding excessive risk. Investment guidelines are established to provide a framework for a well-diversified investment portfolio. The endowment pool spending policy allows the withdrawal of up to 3% of the endowment value, with certain exclusions, for scholarships and 1.2% for general and administrative costs.

NOTE 9 ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, certain donor-restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Foundation does not have any deficiencies as of December 31, 2025 or 2024.

Endowment net asset composition by type for the years ended December 31 is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 1,125,726	$ -	$ 1,125,726
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	25,568,526	25,568,526
Accumulated Investment Gains	-	16,621,837	16,621,837
Total	$ 1,125,726	$ 42,190,363	$ 43,316,089

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 1,125,726	$ -	$ 1,125,726
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	25,392,049	25,392,049
Accumulated Investment Gains	-	11,637,148	11,637,148
Total	$ 1,125,726	$ 37,029,197	$ 38,154,923

NOTE 9 ENDOWMENT (CONTINUED)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets at December 31, 2023	$ 1,125,726	$ 34,229,802	$ 35,355,528
Investment Returns, Net	-	4,261,419	4,261,419
Contributions	-	224,097	224,097
Expenditures on Investment Earnings	-	(1,637,754)	(1,637,754)
Transfers to Non-Endowment Funds	-	(48,367)	(48,367)
Endowment Net Assets at December 31, 2024	$ 1,125,726	$ 37,029,197	$ 38,154,923
Investment Returns, Net	-	5,820,817	5,820,817
Contributions	-	176,477	176,477
Expenditures on Investment Earnings	-	(824,878)	(824,878)
Transfers to Non-Endowment Funds	-	(11,250)	(11,250)
Endowment Net Assets at December 31, 2025	$ 1,125,726	$ 42,190,363	$ 43,316,089

NOTE 10 CONCENTRATION OF CREDIT RISKS

Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investment in a single issuer. At December 31, 2025 and 2024, the stock component of the portfolio is invested across 24 and 16 mutual funds, respectively, with the largest individual stock fund allocation comprising approximately 16% and 10%, respectively, of the total portfolio. These funds invest in a variety of securities. When the individual holdings of the funds are aggregated, it is not expected that any one equity security makes up more than 1% of the overall portfolio. We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, we have not experienced losses in any of these accounts.

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025, the Foundation had $1,233,538 in excess of FDIC insurance limits. To date, we have not experienced losses in any of these accounts.

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

Board of Directors
Polk State College Foundation, Inc.
Winter Haven, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Polk State College Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2026.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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

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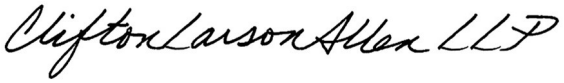
Board of Directors
Polk State College Foundation, Inc.

Report on Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
May 18, 2026

POLK STATE COLLEGE FOUNDATION, INC.
SCHEDULE OF FINDINGS
DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ___x___ no
   - Significant deficiency(ies) identified? _____ yes ___x___ none reported
3. Noncompliance material to financial statements noted? _____ yes ___x___ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Polk State College Foundation, Inc.
Winter Haven, Florida

We have examined the Polk State College Foundation, Inc.'s (the Foundation), compliance with Section 1011.85(4)(c), Florida Statutes, regarding the matching requirements for the First Generation Matching Grant, during the year ended December 31, 2025. Management is responsible for the Foundation's compliance with those requirements. Our responsibility is to express an opinion on the Foundation's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Foundation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Foundation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Foundation's compliance with specified requirements.

In our opinion, the Foundation complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2025.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 18, 2026

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