



**WASHINGTON STATE UNIVERSITY FOUNDATION**

(A Nonprofit Corporation)

Consolidated Financial Statements and  
Supplementary Information

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

**Table of Contents**

	<b>Page(s)</b>
Independent Auditors' Report	1–2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4–5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–28
<b>Supplementary Information</b>	
Schedule 1 – Consolidating Schedule of Financial Position	29
Schedule 2 – Consolidating Schedule of Activities	30



KPMG LLP  
Suite 2800  
401 Union Street  
Seattle, WA 98101

## Independent Auditors' Report

The Board of Directors  
Washington State University Foundation:

### *Opinion*

We have audited the consolidated financial statements of Washington State University Foundation and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *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 Consolidated Financial Statements section of our report. We are required to be independent of the 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 Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the consolidating schedule of financial position and consolidating schedule of activities, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Seattle, Washington  
November 19, 2025

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Consolidated Statements of Financial Position

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Cash	\$ 779,911	609,027
Due from Washington State University	5,216,564	5,301,888
Bequests and other receivables	1,090,309	1,509,677
Pledges receivable, net	37,225,587	47,708,657
Endowment investment securities	716,750,667	650,182,888
Notes receivable, net	259,791	268,253
Furniture, fixtures, and equipment (net of accumulated depreciation of \$1,446,648 and \$1,608,653, respectively)	37,415	60,916
Land and real estate	530,000	530,000
Right of use – lease	1,342,665	1,800,328
Gift annuities and charitable remainder trusts	22,705,585	23,869,902
Contributions receivable from charitable trusts	7,385,194	5,373,159
Beneficial interest in perpetual trusts	47,572,791	40,340,546
Total assets	<u>\$ 840,896,479</u>	<u>777,555,241</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,970,962	2,577,264
Lease liability	1,406,451	1,863,870
Annuities payable	10,759,798	11,614,195
Remainder interest payable	25,467	177,881
Total liabilities	<u>14,162,678</u>	<u>16,233,210</u>
<b>Net Assets</b>		
Without donor restrictions	4,892,686	4,638,062
With donor restrictions	821,841,115	756,683,969
Total net assets	<u>826,733,801</u>	<u>761,322,031</u>
Total liabilities and net assets	<u>\$ 840,896,479</u>	<u>777,555,241</u>

See accompanying notes to consolidated financial statements.

**WASHINGTON STATE UNIVERSITY FOUNDATION**

(A Nonprofit Corporation)

Consolidated Statement of Activities

Year ended June 30, 2025

	<b>2025</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenue and support:			
Contributions of cash and other financial assets	\$ 103,616	74,685,950	74,789,566
Contributions of nonfinancial assets	—	2,870,651	2,870,651
Investment return (loss), net of expenses	(10,571)	80,497,889	80,487,318
Advancement fee	2,948,979	—	2,948,979
Management and advancement fees	10,387,728	—	10,387,728
Change in value of split-interest agreements	—	(1,865,070)	(1,865,070)
Support provided by Washington State University	5,981,666	—	5,981,666
Other income	353,102	1,977,514	2,330,616
	<hr/>	<hr/>	<hr/>
Total revenue and support	19,764,520	158,166,934	177,931,454
Net assets released from restrictions	93,009,788	(93,009,788)	—
Expenses:			
Support provided to/for Washington State University:			
Restricted distributions	57,192,758	—	57,192,758
Endowment income distributions	25,100,549	—	25,100,549
Endowment administration fees	9,315,904	—	9,315,904
Fundraising	10,408,527	—	10,408,527
General and administrative expenses	10,501,946	—	10,501,946
	<hr/>	<hr/>	<hr/>
Total expenses	112,519,684	—	112,519,684
Change in net assets	254,624	65,157,146	65,411,770
Net assets – beginning of year	4,638,062	756,683,969	761,322,031
Net assets – end of year	\$ 4,892,686	821,841,115	826,733,801

See accompanying notes to consolidated financial statements.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Consolidated Statement of Activities

Year ended June 30, 2024

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenue and support:			
Contributions of cash and other financial assets	\$ 129,128	67,797,369	67,926,497
Contributions of nonfinancial assets	—	2,572,148	2,572,148
Investment return (loss), net of expenses	(31,721)	71,056,607	71,024,886
Advancement fee	2,929,434	—	2,929,434
Management and advancement fees	9,825,569	—	9,825,569
Change in value of split-interest agreements	—	(5,662,844)	(5,662,844)
Support provided by Washington State University	5,716,185	—	5,716,185
Other income	270,855	4,063,974	4,334,829
Total revenue and support	<u>18,839,450</u>	<u>139,827,254</u>	<u>158,666,704</u>
Net assets released from restrictions	83,494,570	(83,494,570)	—
Expenses:			
Support provided to/for Washington State University:			
Restricted distributions	51,039,637	—	51,039,637
Endowment income distributions	23,651,102	—	23,651,102
Endowment administration fees	8,791,262	—	8,791,262
Fundraising	11,633,321	—	11,633,321
General and administrative expenses	9,576,408	—	9,576,408
Total expenses	<u>104,691,730</u>	<u>—</u>	<u>104,691,730</u>
Change in net assets	(2,357,710)	56,332,684	53,974,974
Net assets – beginning of year	<u>6,995,772</u>	<u>700,351,285</u>	<u>707,347,057</u>
Net assets – end of year	<u>\$ 4,638,062</u>	<u>756,683,969</u>	<u>761,322,031</u>

See accompanying notes to consolidated financial statements.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Change in net assets	\$ 65,411,770	53,974,974
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	23,501	24,709
Change in right of use lease assets and lease liabilities	245	63,541
Net realized and unrealized gains on investments	(75,786,147)	(68,057,110)
Decrease in value of split-interest agreements	1,865,070	5,662,844
Contributions and income restricted for investments in endowments and trusts	(31,467,383)	(31,737,010)
Changes in operating assets and liabilities:		
Due from Washington State University	85,324	2,216,779
Bequests and other receivables	419,368	209,629
Pledges receivable	10,483,070	4,747,308
Contribution receivable from charitable trusts	(573,318)	22,495
Accounts payable and accrued liabilities	(583,453)	25,995
Net cash used in operating activities	(30,121,953)	(32,845,846)
Cash flows from investing activities:		
Purchases of investments	(101,960,535)	(207,739,859)
Sales of investments	106,249,934	222,137,187
Proceeds of principal payments on notes receivable	8,462	49,447
Net cash provided by investing activities	4,297,861	14,446,775
Cash flows from financing activities:		
Contributions and income restricted for investments in endowments and trusts	31,467,383	31,737,010
Net cash provided by financing activities	31,467,383	31,737,010
Net increase in cash and cash equivalents	5,643,291	13,337,939
Cash and cash equivalents – beginning of year	22,479,997	9,142,058
Cash and cash equivalents – end of year	\$ 28,123,288	22,479,997

See accompanying notes to consolidated financial statements.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(1) Summary of Significant Accounting Policies**

**(a) Nature of Operations**

Washington State University Foundation (the Foundation) was established on May 24, 1979 as an organization with a purpose of raising funds, administering and investing funds, and providing support and assistance for scientific, literary, and educational pursuits on behalf of Washington State University (the University or WSU), which is located in Pullman, Washington.

The University provides the Foundation with professional and staff services and supplemental funding support for the constituency-based development programs and operations of the Foundation, at levels reflected in the approved operating budget of the Foundation. The University also provides accounting, banking, data processing and general administrative support services.

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

**(b) Basis of Accounting**

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

**(c) Consolidated Statements**

Cougar Property Holdings (CPH), a Washington nonprofit corporation, organized during the year ended June 30, 2000, was formed for the purpose of maximizing, promoting, and executing programs and initiatives for the sole benefit of the Foundation. CPH's endeavors include acquiring, developing, and managing real and personal property along with the formation of strategic partnerships to benefit the Foundation. Because the Foundation is the single member of CPH, its financial statements have been included in the accompanying consolidated statements. All significant inter-entity transactions have been eliminated.

WSUF Properties, LLC, a Washington limited liability company, organized during the year ended June 30, 2019, was formed to accomplish its purposes, which include engaging in the acquisition, development, management, operation and lease, and sale of residential or commercial real estate. Because the Foundation is the sole member of WSUF Properties, LLC, its financial statements have been included in the accompanying consolidated statements. All significant inter-entity transactions have been eliminated.

**(d) Net Assets**

The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

**(i) Without Donor Restrictions**

Net assets without donor restrictions represent resources that are not subject to donor restrictions and over which the board of directors of the Foundation retains control to use the funds in order to achieve the Foundation's purpose.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

*(ii) With Donor Restrictions*

Net assets with donor restrictions represent resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by the donor for a particular purpose and that will be met by the passage of time or other events specified by the donor.

Other donor-imposed restrictions are to maintain resources in perpetuity. This consists predominantly of endowment funds and charitable trusts. Donor-restricted endowment funds represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. Also included are trust funds that represent donor contributions of irrevocable trusts and other instruments wherein the Foundation has a remainder interest in the trust assets upon the death of the last surviving income beneficiary.

**(e) Use of Estimates**

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and reported amounts of assets and liabilities at the date of the consolidated financial statements. On an ongoing basis, the Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates. The significant estimates in the Foundation's financial statements include obligations under gift annuities and trust funds, fair value measurements for certain financial assets, discounts on pledges receivable, and allowances for uncollectible pledges.

**(f) Cash and Cash Equivalents**

The Foundation considers short-term cash investments and highly liquid debt instruments, if any, purchased with an original maturity of three months or less, to be cash equivalents.

At various times throughout the year, the cash balance exceeded federally insured limits of the individual financial institution. A possible loss exists for amounts in excess of insured limits.

The Foundation reports cash equivalents included within endowment investment securities and assets held in charitable trusts in the statements of cash flows. Cash included in the long-term assets on the statements of financial position represents amounts set aside for legal obligations.

	<b>2025</b>	<b>2024</b>
Cash	\$ 779,911	609,027
Cash and equivalents within endowment investment securities	27,073,135	21,141,296
Cash and equivalents within gift annuities and charitable remainder trusts	270,242	729,674
Total cash and cash equivalents	\$ 28,123,288	22,479,997

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(g) Pledges Receivable**

Unconditional pledges receivable, less an allowance for uncollectible accounts and the discount to present value, are recognized as revenue in the period received. Conditional pledges receivable, if any, are recognized when the conditions on which they depend are substantially met.

**(h) Endowment Investment Securities**

Investment securities are stated at fair value. External and direct internal investment expenses are presented within the consolidated statements of activities as a component of investment return (loss).

Financial Accounting Standards Board (FASB) guidance requires additional disclosures about endowments (both donor-restricted funds and board-designated funds) for all organizations. The Foundation has disclosed endowment balances and activity in accordance with this provision. See note 3, *Endowment Investment Securities*, for the disclosures.

**(i) Furniture, Fixtures, and Equipment**

Purchased furniture, fixtures, and equipment are reported at cost. An asset is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Routine maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computer hardware and software	5 years
Furniture and fixtures	10 years
Building components	15 years

**(j) Land and Real Estate**

Land and real estate represent gifts of land and real estate to the Foundation. Land and real estate are recorded at appraised value at the time of the gift. Life estate gifts are recorded at the appraised value at the time of the gift and discounted for the present value of future rental income generated by the property.

**(k) Gift Annuities and Charitable Remainder Trusts, Annuities Payable, and Remainder Interest Payable**

The Foundation has entered into various trust agreements to receive assets, which are gifts of future interest to the Foundation and the University. These trusts are separate legal entities. The Foundation is the trustee for trusts where the Foundation is either the sole beneficiary or where the Foundation shares the remainder interest with another organization. When the Foundation shares the remainder interest with another organization, the Foundation also records a liability for the remainder interest. The annuity payable and remainder interest payable are computed based on actuarial assumptions that include the beneficiaries' estimated life expectancy and current interest rates. These trusts typically have been set up in accordance with federal tax laws to gain certain advantages for the donor. Trust agreements are mainly of four types: unitrusts, pooled income funds, lead trusts, and annuities.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Unitrusts and pooled income funds provide for distribution of annual earnings at a predetermined rate to the donor or designated beneficiary for either a specified term or the life of the donor. At the end of the term or death of the donor, the remaining assets in the unitrust or pooled income fund account are transferred to net assets without donor restrictions unless otherwise designated.

Lead trusts provide for distribution of annual earnings at a predetermined rate to the Foundation for a specified term. At the end of the term, the principal amount in the lead trust is distributed back to the donor unless otherwise designated. Revenue is recognized for these irrevocable trusts upon entering into the agreement and receiving the trust assets.

Annuity trusts provide predetermined distributions to the donor. At the end of the term or death of the donor, the remaining assets in the annuity trust account are transferred to the fund designated by the donor. Trust assets are presented at fair market value, with a separate annuity liability in annuities payable on the statement of net position.

**(l) Contributions Receivable from Charitable Trusts**

Charitable trusts held outside the Foundation are trusts established and administered by a trustee bank or donor. They function in a manner similar to the ones held by the Foundation with periodic distributions and a remainder interest upon termination to the Foundation. These trusts are donor restricted with all proceeds being used as directed by the donor in the gift agreement. The value of the trusts are adjusted annually for the change in estimated fair value.

**(m) Beneficial Interest in Perpetual Trusts**

The Foundation is the irrevocable beneficiary of perpetual charitable trusts held by various trustee banks and organizations. The beneficial interest in the trust is reported at fair value, which is the estimated fair value of the underlying trust assets. Distributions of income from the trust assets are restricted for use in accordance with the donors' wishes. The value of the beneficial interest in perpetual trusts is adjusted annually for the change in its estimated value. Those changes are reported as increases in net assets with donor restrictions because the trust assets will never be distributed to the Foundation. The Foundation is not the trustee of these assets.

**(n) Assets Held for Washington State University**

Endowed assets held for the University and its related 501(c)(3) entities, such as the Washington State University Alumni Association, are excluded from the Foundation's consolidated financial statements as they are not an agent or a principal in these assets. Instead, these assets held in the endowment pool are disclosed in note 3, *Endowment Investment Securities*.

**(o) Contributions and Revenue Recognition**

The Foundation processes and records all private gifts to both the University and the Foundation. This includes all direct and indirect contributions to the University including all colleges, departments, and programs. Contributions, including unconditional promises to give, are recognized when received. Amounts received and unconditional promises that are restricted by the donor are reported as an increase to net assets with donor restrictions. All other contributions are recorded as an increase to net assets without donor restrictions. Conditional promises are not recognized until they become

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

unconditional, that is, until all conditions on which they depend are substantially met. Gifts to acquire long-lived assets are initially reported as an increase to net assets with donor restrictions and are released from restrictions when the asset is acquired and placed into service, if applicable.

The Foundation is the named beneficiary of various estates in probate and trusts administered by other institutions and organizations. The Foundation recognizes income from these bequests and trusts when ownership is legally established and the proceeds are measurable. Recognition of trusts and bequests may be delayed if the Foundation was unaware of the donors' intentions.

**(p) Advancement fee**

A 5% advancement fee is applied to gifts processed by the Foundation to help offset direct operating costs related to soliciting, processing and stewarding private contributions, and to provide the resources necessary to encourage greater philanthropic support for Washington State University. The advancement fee applies as follows: 5% on all gifts up to \$5 million. For gifts greater than \$5 million, the advancement fee will apply only to the first \$5 million of the total gift. The maximum amount of the advancement fee assessed on a single gift shall not exceed \$250,000.

**(q) Management and advancement fees**

Annually, a 1.5% management and advancement assessment is charged to the WSU Foundation Endowment. This assessment is paid out quarterly and is calculated based on the 36-month rolling average of the Endowment's market value.

The Foundation contracts with TIAA Kaspick for asset management and administration of its planned gift assets. These planned gift assets include charitable gift annuities, charitable remainder trusts, and charitable lead trusts. The assessments for the Foundation and TIAA Kaspick's services are charged to the appropriate account directly. TIAA Kaspick invests in mutual funds, and the mutual fund expense ratios are a separate assessment charged to the gift annuity pool or trust.

**(r) Valuation of Long-Lived Assets**

The Foundation, using its best estimates based on reasonable and supportable assumptions and projections, reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value.

**(s) Financial Instruments**

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments:

*Cash and cash equivalents* – The carrying amount reported in the consolidated statements of financial position for cash and cash equivalents approximates its fair value.

*Endowment investment securities and gift annuities and charitable remainder trusts* – Fair values for endowment and trust investments are based on quoted market prices, if available. The endowment also invests in alternative investments, which are not readily marketable; therefore, net asset value

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(NAV) per share is used as a practical expedient to estimate fair value. Land held in trust is valued at fair market value at the date of the gift and subsequently is evaluated for impairment.

*Beneficial interest in perpetual trusts* – The beneficial interest in perpetual trusts is reported at fair value, which is estimated as the fair value of the underlying assets of the trusts. Because there are no observable market transactions for assets similar to the beneficial interest in the trusts and because the trusts are irrevocable, the valuation technique used by the Foundation is a Level 3 fair value measure.

**(t) Federal Income Taxes**

The Foundation and its wholly owned subsidiaries have been recognized by the Internal Revenue Service as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) of the Internal Revenue Code. Unrelated business income is considered taxable income. Donations to the Foundation are generally tax deductible. Neither the Foundation nor its subsidiaries have unrecognized tax benefits that would have required an adjustment to net assets nor unrecognized tax benefits at June 30, 2025 or 2024.

**(2) Pledges Receivable**

	<b>Year ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Pledges receivable	\$ 41,339,799	50,691,154
Less allowance for uncollectible pledges	(2,103,594)	(703,087)
Total	39,236,205	49,988,067
Less present value discount	(2,010,618)	(2,279,410)
Total	\$ 37,225,587	47,708,657

	<b>Year ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Amount expected in:		
One year or less	\$ 4,475,457	5,474,568
One to five years	35,618,731	42,431,339
Over five years	1,245,611	2,785,247
Total	\$ 41,339,799	50,691,154

Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those accounts are computed using a five-year interest rate applicable to the year in which the promises are received. The rate for new pledges in the year ended June 30, 2025, was 4.03% and the rate in prior years ranged from 0.53% to 4.33%.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Amortization of the discounts is included in contribution revenue of cash and other financial assets on the consolidated statement of activities.

Conditional pledges receivable are not recorded until the conditions are substantially met. There were no conditional pledges receivable as of June 30, 2025 and 2024.

Management has calculated the allowance for uncollectible pledges using past collection experience as a basis for the percentage of pledges that will not be collected.

As of June 30, 2025 and 2024, pledges receivable include amounts due from a group of five donors that represent a significant concentration of credit risk. The total pledges receivable balance from these five donors amount to 47% and 44% of all outstanding pledge receivables as of June 30, 2025, and 2024. Management believes that the credit risk associated with these pledges receivable is mitigated by the historical reliability of the donors and the Foundation's ongoing relationship with them. However, any significant changes in the financial health of these donors could affect the amount and timing of future cash flows.

**(3) Endowment Investment Securities**

The Foundation's endowment consists of 2,971 individual funds, established for a variety of purposes, which are jointly managed by the Foundation with the University's endowments. Of the total value of the investments managed by the Foundation, the Foundation's endowment funds represent 89.56% and 89.20% of that total at June 30, 2025 and 2024 respectively. The remainder of the pool comprises the University's true endowments and the University's funds functioning as endowments (quasi-endowments), which are not recorded in the Foundation's financial statements. As required by US GAAP, net assets associated with endowment funds, including quasi-funds that function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation has no board designated endowments.

**(a) Interpretation of Relevant Law**

The Board of Directors of the Foundation, on the advice of legal counsel and the Foundation's Investment Committee, has interpreted Washington State's Uniform Prudent Management of Institutional Funds Act (WA-UPMIFA) as requiring the prudent management of donor-restricted gifts based on the spending and other investment policies of the organization, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classified the following amounts as net assets with donor restrictions in the accompanying consolidated financial statements:

- The fair value of the gifts donated to the donor-restricted endowment
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument or statute at the time the accumulation is added to the fund
- The remaining portion of the donor-restricted endowment funds that is not required to be held in perpetuity consisting of accumulated investment gains and losses, which are included in net assets with donor restrictions until those amounts are appropriated to WSU in a manner consistent with the donors' stipulations.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- The fund's special relationship or value to the Foundation's and WSU's mission
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

**(b) Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or WA-UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are classified in net assets with donor restrictions. Deficiencies of this nature totaled \$0 and \$129,063 at June 30, 2025 and 2024, respectively, and are included in the accumulated investment gains (losses) in the tables below.

These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs. These appropriations were made under the terms of the gift use agreement executed between the donor and the Foundation or in accordance with the Board of Director's prudent interpretation of WA-UPMIFA. The board of directors allows for continued appropriations to sustain programs with a moratorium on distributions if an endowment's market value is 30% or more below contributions to the fund. Continued appropriation by the Board was deemed prudent during the year ended June 30, 2025.

		Year ended June 30, 2025			
		Without donor restrictions	With donor restrictions		
			Original gift	Accumulated gains/(losses)	Total
Donor-restricted funds:					
Underwater funds	\$	—	—	—	—
Other funds		—	545,131,239	171,619,428	716,750,667
Total endowment funds	\$	—	545,131,239	171,619,428	716,750,667

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

	Year ended June 30, 2024			
	Without donor restrictions	With donor restrictions		
		Original gift	Accumulated gains/(losses)	Total
Donor-restricted funds:				
Underwater funds	\$ —	8,980,879	(129,063)	8,851,816
Other funds	—	509,377,649	131,953,423	641,331,072
Total endowment funds	\$ —	518,358,528	131,824,360	650,182,888

**(c) Return Objectives and Risk Parameters**

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. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as quasi-endowments (funds functioning as endowments). Under this policy, as approved by the Investment Committee of the Foundation, the endowment assets are invested in a manner that is intended to produce a relatively predictable and stable payout stream each year and maintain purchasing power of the assets over the investment horizon.

**(d) Strategies Employed for Achieving Objectives**

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 to achieve its long-term return objectives within prudent risk constraints.

**(e) Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation's spending policy allows for the fund to distribute 5.5% per year (4.0% for program objectives and 1.5% for the endowment administration fees) computed quarterly based on the average market value for the 36 months preceding and including the quarter ended prior to the distribution date, adjusted for new gifts on the first day of the distribution quarter.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(f) Endowment Net Assets Composition, by Type of Fund**

Year ended June 30, 2025			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount	\$ —	545,131,239	545,131,239
Accumulated investment gains	—	171,619,428	171,619,428
Total	\$ —	716,750,667	716,750,667

Year ended June 30, 2024			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount	\$ —	518,358,528	518,358,528
Accumulated investment gains	—	131,824,360	131,824,360
Total	\$ —	650,182,888	650,182,888

**(g) Changes in Endowment Net Assets**

Year ended June 30, 2025			
	Without donor restrictions	With donor restrictions	Total
Net asset balance – beginning of year	\$ —	650,182,888	650,182,888
Investment return	—	73,953,240	73,953,240
Contributions	—	27,030,992	27,030,992
Distribution of endowment assets	—	(34,416,453)	(34,416,453)
Total	\$ —	716,750,667	716,750,667

Year ended June 30, 2024			
	Without donor restrictions	With donor restrictions	Total
Net asset balance – beginning of year	\$ —	591,964,356	591,964,356
Investment return	—	65,998,217	65,998,217
Contributions	—	24,662,679	24,662,679
Distribution of endowment assets	—	(32,442,364)	(32,442,364)
Total	\$ —	650,182,888	650,182,888

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(h) Endowments Managed at Fair Value**

The Foundation's endowment funds are jointly managed with certain endowments of the University. The University's endowment funds are excluded from the Foundation's financial statements as they are not an agent nor a principal in these endowments. The breakout of the jointly managed funds of the University and the Foundation is as follows:

	<b>Year ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Jointly managed endowment funds:		
Cash and short-term investments	\$ 31,445,479	25,114,592
Accrued interest and dividends	9,007,608	232,587
Managed investments	759,828,604	703,479,236
Endowment investments at fair value	800,281,691	728,826,415
Less University endowment funds	(83,531,024)	(78,643,527)
Managed endowment funds recorded by the Foundation	\$ 716,750,667	650,182,888

**(4) Fair Value Measurements**

The Foundation adopted the provisions of FASB guidance on fair value related to its financial assets measured at fair value on a recurring basis. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 as follows:

*Level 1* – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

*Level 2* – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

*Level 3* – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to the endowment's needs.

As required by FASB guidance on fair value, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and their placement within the fair value hierarchy levels.

Investments are stated at fair value according to US GAAP, which requires that the valuation of investments reported at fair value be made in the context of market conditions as of the valuation date. Whenever available, quotations from organized securities exchanges are used as the basis for fair value. For investment funds not actively marketed on an open exchange, fair value estimates are provided by investment fund managers. For applicable investments, net asset value (NAV) reported by each fund manager is used as a practical expedient to estimate fair value. Valuations provided by fund managers consider variables such as the financial performance and sales of underlying investments and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the exit price. The Foundation reviews valuations and assumptions provided by fund managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of the fair value. In accordance with Accounting Standards Codification (ASC) 820, Fair Value Measurement, investments using the NAV practical expedient are not categorized within the fair value hierarchy (Levels 1, 2, or 3).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes 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.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following table discloses by level, within the fair value hierarchy, investment assets measured at fair value on a recurring basis as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment investments:				
Cash and equivalents	\$ 36,241,596	—	—	36,241,596
Marketable equities:				
Equities	62,416,161	—	—	62,416,161
Fixed income mutual funds	49,241,407	—	—	49,241,407
Total marketable equities	<u>111,657,568</u>	<u>—</u>	<u>—</u>	<u>111,657,568</u>
Market index common trust fund equities	—	163,714,373	—	<u>163,714,373</u>
Investments measured at NAV:				
Equity funds				87,609,366
Fixed income funds				18,218,716
Hedge funds				118,705,458
Illiquid real assets				63,924,110
Private equities funds				<u>116,679,480</u>
Total investments measured at NAV				<u>405,137,130</u>
Total endowment investment securities			\$	<u><u>716,750,667</u></u>
Gift annuities and charitable remainder trusts:				
Cash and equivalents	\$ 270,242	—	—	270,242
Marketable equities:				
Equities	13,633,602	—	—	13,633,602
Fixed income mutual funds	6,205,593	—	—	6,205,593
Liquid real assets	2,596,148	—	—	2,596,148
Total marketable equities	<u>22,435,343</u>	<u>—</u>	<u>—</u>	<u>22,435,343</u>
Total gift annuities and charitable remainder trusts	<u>\$ 22,705,585</u>	<u>—</u>	<u>—</u>	<u>22,705,585</u>
Other:				
Beneficial interest in perpetual trusts	<u>—</u>	<u>—</u>	<u>47,572,791</u>	<u>47,572,791</u>

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following table discloses by level, within the fair value hierarchy, investment assets measured at fair value on a recurring basis as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment investments:				
Cash and equivalents	\$ 22,642,578	—	—	22,642,578
Marketable equities:				
Equities	53,913,115	—	—	53,913,115
Fixed income mutual funds	<u>33,172,780</u>	<u>—</u>	<u>—</u>	<u>33,172,780</u>
Total marketable equities	<u>87,085,895</u>	<u>—</u>	<u>—</u>	<u>87,085,895</u>
Market index common trust fund equities	—	141,620,530	—	<u>141,620,530</u>
Investments measured at NAV:				
Equity funds				73,674,283
Fixed income funds				17,113,331
Hedge funds				117,647,079
Illiquid real assets				64,593,613
Private equities funds				<u>125,805,579</u>
Total investments measured at NAV				<u>398,833,885</u>
Total endowment investment securities			\$	<u>650,182,888</u>
Gift annuities and charitable remainder trusts:				
Cash and equivalents	\$ 729,674	—	—	729,674
Marketable equities:				
Equities	12,446,875	—	—	12,446,875
Fixed income mutual funds	7,368,108	—	—	7,368,108
Liquid real assets	<u>3,325,245</u>	<u>—</u>	<u>—</u>	<u>3,325,245</u>
Total marketable equities	<u>23,140,228</u>	<u>—</u>	<u>—</u>	<u>23,140,228</u>
Total gift annuities and charitable remainder trusts	\$ <u>23,869,902</u>	<u>—</u>	<u>—</u>	<u>23,869,902</u>
Other:				
Beneficial interest in perpetual trusts	\$ —	—	40,340,546	<u>40,340,546</u>

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following table presents the change in fair value measurements for the Level 3 investments during the years ended June 30, 2025 and June 30, 2024:

	<b><u>Beneficial interest in perpetual trusts</u></b>
Other:	
Balance – June 30, 2023	\$ 37,644,058
Distribution from the funds	(873,315)
Change in value, net	<u>3,569,803</u>
Balance – June 30, 2024	40,340,546
Addition	4,303,412
Distribution from the funds	(921,088)
Change in value, net	<u>3,849,921</u>
Balance – June 30, 2025	<u>\$ 47,572,791</u>

*Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*

(i) *Equities, Fixed Income, and Hedge Funds*

This category includes certain common stock securities, U.S. government securities, and mutual funds for which market prices are not readily available or for which market prices do not represent the value at the time of pricing are fair valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity, and industry). These investments cover a broad range of risk and diversification by industry with the dual objectives of generating income and providing long-term growth.

(ii) *Illiquid Real Assets and Private Equities*

This category includes multiple limited partnerships that invest in securities designed for generating current income and/or long-term growth using conservative, moderate, and aggressive risk strategies, and real estate. Risk strategies for private equities range from moderate to aggressive with growth of capital being the primary objectives.

Hedge fund investments allow for monthly, quarterly, annual, and biennial redemptions. Illiquid real assets and private equities investments do not allow for periodic redemptions but rather liquidate upon the termination date as stated in the partnership agreement.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following table presents the redemption frequency for investments measured at net asset value at June 30, 2025 and June 30, 2024, respectively.

	Net asset value		Unfunded commitments	Redemption schedule	Redemption notice period
	2025	2024			
Equity funds	\$ 87,609,366	73,674,283	—	Daily to semimonthly	5–30 days
Fixed income funds	18,218,716	17,113,331	—	Monthly	30 days
Hedge funds	118,705,458	117,647,079	—	Monthly to biennially	30–90 days
Illiquid real assets	63,924,110	64,593,613	22,496,566	Years: 2025–2037	End of agreement
Private equities fund	116,679,480	125,805,579	39,202,503	Years: 2025–2037	End of agreement
	<u>\$ 405,137,130</u>	<u>398,833,885</u>	<u>61,699,069</u>		

**(5) Gift Annuities and Charitable Remainder Trusts**

Gift annuities and charitable remainder trusts consisted of the following types of trusts at June 30:

	2025	2024
Charitable remainder unitrusts	\$ 12,937,416	13,651,567
Charitable remainder annuity trusts	—	1,133,391
Gift annuities	9,768,169	9,084,944
Total	<u>\$ 22,705,585</u>	<u>23,869,902</u>

The State of Washington under RCW 48.38.010 mandates that charities obtain a certificate of exemption to issue charitable gift annuities. Sections 38.010 and 38.020 of the code, respectively, require the charity to 1) have at least \$500,000 in net assets without donor restrictions and 2) maintain a separate reserve fund adequate to meet the future payments under its charitable gift annuity contracts. The reserve fund amount is calculated at the end of the fiscal year and must be performed by an independent third party. The State of Washington reserve fund requirement as determined by the independent third party actuary was \$2,944,981 and \$2,926,644 at June 30, 2025 and 2024, respectively, and the charitable gift annuities payable at June 30, 2025 and 2024 was \$4,128,558 and \$4,163,355, respectively, included in annuities payable on the consolidated statements of financial position.

**(6) Leases**

The Foundation has the following three operating leases:

- (a) Office space in downtown Pullman, which terminates in March 2028. The lessor allows for periodic rate increases. The total rent expense under the terms of the lease was \$406,960 and \$397,051 for the years ended June 30, 2025 and 2024, respectively.

Because the Foundation generally does not have access to the rate implicit in the lease or borrowing rate, the discounts on the monthly lease payments are computed using a seven-year risk-free rate. The rate of 1.24% was used to estimate the amount of the right-of-use assets and related lease liabilities.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

- (b) Office space in the WSU Spokane campus which terminates in June 2028. The lessor allows for periodic rate increases. The total rent expense under the terms of the lease was \$19,520 and \$12,593 for the years ended June 30, 2025 and 2024, respectively.

Because the Foundation generally does not have access to the rate implicit in the lease or borrowing rate, the discounts on the monthly lease payments are computed using a five-year risk-free rate. The rate of 4.19% was used to estimate the amount of the right-of-use assets and related lease liabilities.

- (c) A parking lot in downtown Pullman which terminates in October 2028. The lease was entered into by Cougar Property Holdings and allows for periodic rate increases. The total rent expense under the terms of the lease was \$61,200 and \$40,000 for the years ended June 30, 2025 and 2024, respectively.

Because the Foundation generally does not have access to the rate implicit in the lease or borrowing rate, the discounts on the monthly lease payments are computed using a five-year risk-free rate. The rate of 4.67% was used to estimate the amount of the right-of-use assets and related lease liabilities.

Right-of-use (ROU) asset and lease liability related to these operating leases as of June 30, 2025 are as follows:

Operating lease ROU asset	\$	1,342,665
Operating lease liability		1,406,451

The future payments due under these operating leases as of June 30, 2025 are as follows:

Year ending June 30:		
2026	\$	499,665
2027		512,045
2028		413,074
2029		22,510
Amounts representing interest		<u>(40,843)</u>
Total	\$	<u>1,406,451</u>

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(7) Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<b>2025</b>	<b>2024</b>
Donor restricted-endowments subject to spending policy and appropriation to support the following purposes (including net accumulated earnings):		
Endowed faculty	\$ 157,864,379	141,797,989
Facilities	3,153,588	2,977,391
Instruction	12,328,212	11,120,622
Libraries	5,145,534	4,721,750
Operational support	157,089,048	147,926,381
Research	34,865,715	30,624,000
Scholarships and fellowships	346,304,191	311,014,755
	716,750,667	650,182,888
Perpetual trusts and split interest agreements, distributions available to support the following purposes:		
Endowed faculty	599,199	536,676
Instruction	707,229	638,727
Libraries	148,535	132,390
Operational support	38,530,685	32,370,044
Research	3,057,888	2,810,139
Scholarships and fellowships	23,834,769	21,303,555
	66,878,305	57,791,531
Subject to passage of time:		
Endowed faculty	3,833,850	4,868,181
Facilities	8,779,456	19,251,596
Operational support	20,591,721	20,894,932
Research	244,229	93,264
Scholarships and fellowships	4,762,887	3,601,577
	38,212,143	48,709,550
Total net assets with donor restrictions	\$ 821,841,115	756,683,969

**(8) Functional Classification of Expenses**

The costs of program and supporting services activities have been summarized in the consolidated statements of activities. The expense analysis in the table below presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or support function. The expenses that are allocated include salaries, wages, and employee benefits, which are allocated on the basis of actual time spent on fundraising or general and

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

administrative tasks. Occupancy and depreciation are allocated based on the full-time employee (FTE) count for fundraising and general and administrative staff. Other costs are classified in each functional category based on the underlying purpose of each transaction.

	Year ended June 30, 2025			
	Program services	Supporting services		
	Support provided to Washington State University	Fundraising	Endowment administration fees and general and administrative expenses	Total
	\$	—	—	22,355
Advertising	—	—	22,355	22,355
Campaign and marketing	—	192,664	—	192,664
Conferences, conventions, and meetings	—	—	198,839	198,839
Consulting services	—	576,208	190,929	767,137
Depreciation	—	9,581	13,920	23,501
Development services – University staff	—	2,724,069	—	2,724,069
Donor cultivation	—	420,618	—	420,618
Employee benefits	—	1,132,650	1,297,416	2,430,066
Endowment administration fees	—	—	9,315,904	9,315,904
Endowment distributions	25,100,549	—	—	25,100,549
Information technology	—	—	891,202	891,202
Miscellaneous	—	352,867	513,956	866,823
Occupancy	—	200,946	291,968	492,914
Office expense	—	49,257	131,177	180,434
Professional fees	—	17,270	48,134	65,404
Restricted distributions	57,192,758	—	—	57,192,758
Salaries and wages	—	4,584,406	5,399,745	9,984,151
Travel	—	147,991	101,798	249,789
Provision (recoveries) of uncollectible accounts	—	—	1,400,507	1,400,507
	\$ 82,293,307	10,408,527	19,817,850	112,519,684

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

	Year ended June 30, 2024			
	Program services	Supporting services		
	Support provided to Washington State University	Endowment administration fees and general and administrative expenses		Total
	University	Fundraising	Expenses	Total
Advertising	\$ —	—	38,220	38,220
Campaign and marketing	—	280,500	—	280,500
Conferences, conventions, and meetings	—	—	234,848	234,848
Consulting services	—	572,559	268,871	841,430
Depreciation	—	9,928	14,781	24,709
Development services – University staff	—	2,615,472	—	2,615,472
Donor cultivation	—	1,034,934	—	1,034,934
Employee benefits	—	1,331,203	1,555,786	2,886,989
Endowment administration fees	—	—	8,791,262	8,791,262
Endowment distributions	23,651,102	—	—	23,651,102
Information technology	—	—	849,774	849,774
Miscellaneous	—	810,530	495,537	1,306,067
Occupancy	—	203,167	302,484	505,651
Office expense	—	67,406	124,661	192,067
Professional fees	—	871	117,499	118,370
Restricted distributions	51,039,637	—	—	51,039,637
Salaries and wages	—	4,488,172	5,403,304	9,891,476
Travel	—	218,579	158,144	376,723
Provision (recoveries) of uncollectible accounts	—	—	12,499	12,499
	<b>\$ 74,690,739</b>	<b>11,633,321</b>	<b>18,367,670</b>	<b>104,691,730</b>

**(9) Liquidity and Availability**

The Foundation regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. The Foundation is substantially supported by management and advancement fees assessed on the endowment, advancement fees assessed on certain gifts, and support provided by the University. As the Foundation exists to benefit the University, the majority of the financial assets recorded by the Foundation are not available to support the Foundation's operating needs.

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

In addition to financial assets available to meet general expenditures over the next twelve months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by the support provided by the University. This includes obtaining additional support from the University, as needed.

The following assets could readily be made available within one year of the date of the statement of financial position to meet general expenditures:

	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Financial assets:		
Cash	\$ 779,911	609,027
Due from Washington State University	5,216,564	5,301,888
Bequests and other receivables	1,090,309	1,509,677
Pledges receivable, net	37,225,587	47,708,657
Endowment investment securities	716,750,667	650,182,888
Notes receivable, net	259,791	268,253
Gift annuities and charitable remainder trusts	22,705,585	23,869,902
Contributions receivable from charitable trusts	7,385,194	5,373,159
Beneficial interest in perpetual trusts	47,572,791	40,340,546
	<u>838,986,399</u>	<u>775,163,997</u>
Less those unavailable for general expenditure within one year:		
Receivables expected to be collected and remitted directly to Washington State University or other third parties	(45,438,026)	(54,018,140)
Endowment assets and accumulated earnings subject to appropriation to Washington State University	(716,505,395)	(649,940,841)
Charitable trusts and perpetual trusts held by others	(70,278,376)	(64,210,448)
Washington state required reserves for funds without donor restrictions	(500,000)	(500,000)
	<u>(500,000)</u>	<u>(500,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,264,602</u>	<u>6,494,568</u>

**WASHINGTON STATE UNIVERSITY FOUNDATION**  
(A Nonprofit Corporation)

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

**(10) Contributions of nonfinancial assets**

The following table illustrates contributions of nonfinancial assets received for the years ended June 30, 2025 and 2024.

Type	FY2025 Revenue recognized	FY2024 Revenue recognized	Utilization in programs/ activities	Donor restrictions	Valuation techniques and inputs
Animal feed	\$ 14,568	17,094	College of Veterinary Medicine	With donor restrictions	Similar sales
Books and publications	4,862	17,882	Various programs for students	With donor restrictions	Similar sales
Cars and Vehicles	—	3,171	WSU Extensions	With donor restrictions	Similar sales
Clothing and household	—	4,755	Various programs for students	With donor restrictions	Similar sales
Equipment	146,312	185,601	Various programs for students	With donor restrictions	Similar sales
Food and beverage	18,645	33,739	Various programs for students	With donor restrictions	Cost
Miscellaneous	702,644	139,931	Various programs for students	With donor restrictions	Similar sales
Real estate	1,774,400	1,444,000	Various programs for students	With donor restrictions	Appraisal
Scientific specimens	—	225,107	Department of Entomology	With donor restrictions	Appraisal
Works of art	209,220	500,868	Various programs for students	With donor restrictions	Expert opinion
Total	\$ <u>2,870,651</u>	<u>2,572,148</u>			

**(11) Related-Party Transactions**

The Foundation is named as an owner/member in the Ruckelshaus Center Foundation. The Foundation raises money on behalf of the Ruckelshaus Center Foundation as a pass-through agency transaction. As such, no contribution revenue is recognized by the Foundation relating to these funds. The pass-through agency transactions are \$278,750 and \$98,155 for the years ended June 30, 2025 and 2024, respectively.

**(12) Subsequent Events**

Subsequent events have been evaluated through November 19, 2025 which is the date the financial consolidated statements were available to be issued.

## WASHINGTON STATE UNIVERSITY FOUNDATION

(A Nonprofit Corporation)

## Supplementary Information

## Consolidating Schedule of Financial Position

June 30, 2025

<b>Assets</b>	<b>WSU Foundation</b>	<b>Cougar Property Holdings</b>	<b>WSUF Properties, LLC</b>	<b>Consolidated</b>
Cash	\$ 741,820	37,191	900	779,911
Due from Washington State University	5,216,564	—	—	5,216,564
Bequests and other receivables	1,085,000	5,309	—	1,090,309
Pledges receivable, net	37,225,587	—	—	37,225,587
Endowment investment securities	716,750,667	—	—	716,750,667
Notes receivable, net	220,429	—	39,362	259,791
Furniture, fixtures, and equipment (net of accumulated depreciation of \$1,446,648)	37,415	—	—	37,415
Land and real estate	530,000	—	—	530,000
Right of use – lease	1,146,982	195,683	—	1,342,665
Gift annuities and charitable remainder trusts	22,705,585	—	—	22,705,585
Contributions receivable from charitable trusts	7,385,194	—	—	7,385,194
Beneficial interest in perpetual trusts	47,572,791	—	—	47,572,791
<b>Total assets</b>	<b>\$ 840,618,034</b>	<b>238,183</b>	<b>40,262</b>	<b>840,896,479</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,969,170	1,722	70	1,970,962
Lease liability	1,205,785	200,666	—	1,406,451
Annuities payable	10,759,798	—	—	10,759,798
Remainder interest payable	25,467	—	—	25,467
<b>Total liabilities</b>	<b>13,960,220</b>	<b>202,388</b>	<b>70</b>	<b>14,162,678</b>
<b>Net Assets</b>				
Without donor restrictions	4,856,891	35,795	—	4,892,686
With donor restrictions	821,800,923	—	40,192	821,841,115
<b>Total net assets</b>	<b>826,657,814</b>	<b>35,795</b>	<b>40,192</b>	<b>826,733,801</b>
<b>Total liabilities and net assets</b>	<b>\$ 840,618,034</b>	<b>238,183</b>	<b>40,262</b>	<b>840,896,479</b>

See accompanying independent auditors' report.

## WASHINGTON STATE UNIVERSITY FOUNDATION

(A Nonprofit Corporation)

Supplementary Information

Consolidating Schedule of Activities

Year ended June 30, 2025

	WSU Foundation		Cougar Property Holdings	WSUF Properties LLC		Consolidated
	Without donor restrictions	With donor restrictions	Without donor restrictions	Without donor restrictions	With donor restrictions	
Revenue and support:						
Contributions of cash and other financial assets	\$ 103,616	74,685,950	—	—	—	74,789,566
Contributions of nonfinancial assets	—	2,870,651	—	—	—	2,870,651
Investment return, net of expenses	(10,578)	80,497,889	7	—	—	80,487,318
Advancement fee	2,948,979	—	—	—	—	2,948,979
Management and advancement fees	10,387,728	—	—	—	—	10,387,728
Change in value of split-interest agreements	—	(1,865,070)	—	—	—	(1,865,070)
Support provided by Washington State University	5,981,666	—	—	—	—	5,981,666
Other income	350,612	1,977,514	2,490	—	—	2,330,616
Total revenue and support	19,762,023	158,166,934	2,497	—	—	177,931,454
Net assets released from restrictions	92,998,514	(92,998,514)		11,274	(11,274)	—
Expenses:						
Support provided to/for Washington State University:						
Restricted distributions	57,181,554	—	—	11,204	—	57,192,758
Endowment income distributions	25,100,549	—	—	—	—	25,100,549
Endowment administration fee	9,315,904	—	—	—	—	9,315,904
Fundraising	10,408,527	—	—	—	—	10,408,527
General and administrative expenses	10,436,689	—	65,187	70	—	10,501,946
Total expenses	112,443,223	—	65,187	11,274	—	112,519,684
Change in net assets	317,314	65,168,420	(62,690)	—	(11,274)	65,411,770
Net assets – beginning of year	4,539,577	756,632,503	98,485	—	51,466	761,322,031
Net assets – end of year	\$ 4,856,891	821,800,923	35,795	—	40,192	826,733,801

See accompanying independent auditors' report.