



PULLMAN REGIONAL HOSPITAL FOUNDATION

Pullman, Washington



Audited Financial Statements
For the Years Ended
December 31, 2024 and 2023

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pullman Regional Hospital Foundation
Pullman, Washington

Opinion

We have audited the accompanying financial statements of the Pullman Regional Hospital Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses, for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pullman Regional Hospital Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Pullman Regional Hospital Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Pullman Regional Hospital Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pullman Regional Hospital 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

A handwritten signature in blue ink that reads "Presnell Gage, PLLC". The signature is written in a cursive, flowing style.

March 24, 2025
Lewiston, Idaho

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	267,212	241,372
Investments	755,316	335,096
Prepaid expenses	9,589	-
Grant receivable	-	25,268
Current portion of promises to give (net)	123,461	155,593
Total Current Assets	1,155,578	757,329
Fixed Assets		
Property, plant and equipment	43,923	43,923
Less accumulated depreciation	(36,390)	(34,219)
Net Fixed Assets	7,533	9,704
Other Assets		
Cash and cash equivalents - with donor restrictions	338,534	296,115
Investments - with donor restrictions	2,360,520	2,117,114
Long term portion of promises to give (net)	284,663	179,819
Contributions receivable from charitable trusts	104,883	-
Total Other Assets	3,088,600	2,593,048
TOTAL ASSETS	\$ 4,251,711	\$ 3,360,081
LIABILITIES AND NET ASSETS		
Current Liabilities		
Deferred revenue	146,528	164,948
Total Current Liabilities	146,528	164,948
Total Liabilities	146,528	164,948
Net Assets		
Without donor restrictions	932,201	589,495
With donor restrictions	3,172,982	2,605,638
Total Net Assets	4,105,183	3,195,133
TOTAL LIABILITIES AND NET ASSETS	\$ 4,251,711	\$ 3,360,081

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		For a Specific Purpose	In Perpetuity	
REVENUES, GAINS AND OTHER SUPPORT				
Contributions	875,762	930,775	1,934	1,808,471
Grants	292,408	-	-	292,408
Special event revenue, net of expenses of \$90,692	117,161	-	-	117,161
Investment income	33,829	28,922	100,914	163,665
Investment gains (losses)	10,211	7,075	84,252	101,538
Net assets released from restrictions	586,528	(512,935)	(73,593)	-
Total Revenues, Gains and Other Support	<u>1,915,899</u>	<u>453,837</u>	<u>113,507</u>	<u>2,483,243</u>
EXPENSES				
Program services	922,928	-	-	922,928
Administrative services	446,591	-	-	446,591
Fundraising	203,674	-	-	203,674
Total Expenses	<u>1,573,193</u>	<u>-</u>	<u>-</u>	<u>1,573,193</u>
CHANGE IN NET ASSETS	342,706	453,837	113,507	910,050
NET ASSETS - BEGINNING OF YEAR	<u>589,495</u>	<u>782,797</u>	<u>1,822,841</u>	<u>3,195,133</u>
NET ASSETS - END OF YEAR	<u>\$ 932,201</u>	<u>\$ 1,236,634</u>	<u>\$ 1,936,348</u>	<u>\$ 4,105,183</u>

PULLMAN REGIONAL HOSPITAL FOUNDATION

Pullman, Washington

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions		
		For a Specific Purpose	In Perpetuity	Total
REVENUES, GAINS AND OTHER SUPPORT				
Contributions	1,009,110	353,916	11,500	1,374,526
Grants	131,814	-	-	131,814
Special event revenue, net of expenses of \$97,597	84,392	-	-	84,392
Investment income	21,312	18,096	60,823	100,231
Investment gains (losses)	51,581	34,025	185,652	271,258
Net assets released from restrictions	358,440	(287,779)	(70,661)	-
Total Revenues, Gains and Other Support	<u>1,656,649</u>	<u>118,258</u>	<u>187,314</u>	<u>1,962,221</u>
EXPENSES				
Program services	1,508,378	-	-	1,508,378
Administrative services	456,380	-	-	456,380
Fundraising	201,378	-	-	201,378
Total Expenses	<u>2,166,136</u>	<u>-</u>	<u>-</u>	<u>2,166,136</u>
CHANGE IN NET ASSETS	(509,487)	118,258	187,314	(203,915)
NET ASSETS - BEGINNING OF YEAR	<u>1,098,982</u>	<u>664,539</u>	<u>1,635,527</u>	<u>3,399,048</u>
NET ASSETS - END OF YEAR	<u>\$ 589,495</u>	<u>\$ 782,797</u>	<u>\$ 1,822,841</u>	<u>\$ 3,195,133</u>

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	1,067,174	897,566
Cash received from grants	299,256	122,553
Cash received from interest and dividends	163,665	100,231
Payments to suppliers and others	(269,228)	(65,710)
Payments to Pullman Regional Hospital	(630,520)	(1,376,564)
Net Cash Provided by (Used in) Operating Activities	630,347	(321,924)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(980,415)	(587,233)
Proceeds from sale of investments	418,327	842,496
Net Cash Provided by (Used in) Investing Activities	(562,088)	255,263
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68,259	(66,661)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	537,487	604,148
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 605,746	\$ 537,487
Cash and Cash Equivalents Reconciliation		
Cash - without donor restriction	267,212	241,372
Cash - with donor restriction	338,534	296,115
Total	\$ 605,746	\$ 537,487

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended December 31, 2024 and 2023

	2024	2023
Reconciliation of Change in Net Assets to Net		
Cash flows provided by (used in) operating activities		
Change in net assets	910,050	(203,915)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	2,171	2,171
Unrealized losses(gains) on investments	(101,538)	(271,258)
Change in assets:		
Promises to give	(177,595)	157,071
Grant receivable	25,268	(14,776)
Prepaid expenses	(9,589)	3,268
Change in liabilities:		
Deferred revenue	(18,420)	5,515
Total Adjustments	(279,703)	(118,009)
Net Cash Provided by (Used in) Operating Activities	\$ 630,347	\$ (321,924)

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended December 31, 2024

	<u>Program Services</u>	<u>Administrative Services</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	-	124,491	120,074	244,565
Employee taxes and benefits	-	26,591	29,710	56,301
Janitorial	-	116	-	116
Professional fees	-	28,700	-	28,700
Office supplies	-	12,752	896	13,648
Utilities	-	2,798	-	2,798
Bank charges	-	7,124	-	7,124
Depreciation	-	2,171	-	2,171
Telephone	-	-	-	-
Insurance	-	162	-	162
Support to Pullman Regional Hospital	611,120	-	-	611,120
BSN Scholarships	-	-	-	-
Gaskins Pharmacy Scholarship	5,000	-	-	5,000
WLG Grants	14,400	-	-	14,400
Pullman Regional Hospital employee scholarships	-	-	-	-
Computer maintenance	-	145,449	-	145,449
Campaign	-	-	2,986	2,986
Building rent	-	932	-	932
Equipment rent	-	4,384	-	4,384
Dues and Subscriptions	-	2,571	-	2,571
Donor meetings	-	4,343	4,100	8,443
Development recognition	-	7,330	6,863	14,193
Annual giving campaign	-	-	13,897	13,897
Special events	-	-	22,424	22,424
Marketing	-	17,290	-	17,290
Postage	-	2,751	2,531	5,282
Food	-	743	-	743
Consulting	-	41,346	193	41,539
Professional development	-	14,032	-	14,032
Minor equipment	-	515	-	515
Bad debts	-	-	-	-
Grants	292,408	-	-	292,408
Total Expenses	<u>\$ 922,928</u>	<u>\$ 446,591</u>	<u>\$ 203,674</u>	<u>\$ 1,573,193</u>

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Administrative Services</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and wages	-	118,506	111,535	230,041
Employee taxes and benefits	-	26,171	28,223	54,394
Professional fees	-	28,300	-	28,300
Office supplies	-	12,416	-	12,416
Utilities	-	2,972	-	2,972
Bank charges	-	6,464	-	6,464
Depreciation	-	2,171	-	2,171
Telephone	-	1,644	-	1,644
Insurance	-	577	-	577
Support to Pullman Regional Hospital	1,340,359	-	-	1,340,359
BSN Scholarships	2,000	-	-	2,000
Gaskins Pharmacy Scholarship	5,000	-	-	5,000
WLG Grants	20,500	-	-	20,500
Pullman Regional Hospital employee scholarships	8,705	-	-	8,705
Computer maintenance	-	119,706	-	119,706
Building rent	-	1,840	-	1,840
Equipment rent	-	4,327	-	4,327
Dues and Subscriptions	-	11,802	-	11,802
Donor meetings	-	2,930	4,228	7,158
Development recognition	-	10,176	-	10,176
Annual giving campaign	-	-	25,193	25,193
Special events	-	-	30,564	30,564
Marketing	-	30,000	-	30,000
Postage	-	815	938	1,753
Food	-	10,521	-	10,521
Consulting	-	37,699	-	37,699
Professional development	-	22,043	697	22,740
Minor equipment	-	755	-	755
Bad debts	-	4,545	-	4,545
Grants	131,814	-	-	131,814
Total Expenses	<u>\$ 1,508,378</u>	<u>\$ 456,380</u>	<u>\$ 201,378</u>	<u>\$ 2,166,136</u>

PULLMAN REGIONAL HOSPITAL FOUNDATION
Pullman, Washington

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 Organization and Summary of Significant Accounting Policies

Organization – Pullman Regional Hospital Foundation (the Foundation) is a nonprofit corporation, which was organized in 1945 to assist Pullman Regional Hospital (the District) in raising donated funds. Although the District does not control the Foundation, the majority of resources and income thereon that the Foundation holds and invests is used for the benefit of the District. Additionally, certain Foundation personnel are employed by the District. For these reasons, the Foundation is considered a component unit of the District.

Basis of Presentation – The financial statements of the Foundation have been presented on the accrual basis and in accordance with Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC) for not-for-profit entities. FASB ASC 958 generally requires contributions received or made, including unconditional promises to give, to be recognized in the period received or made, respectively, at fair value. FASB ASC 958 defines not-for-profit financial statements presentation, requires the presentation of a statement of cash flows, and requires that amounts be classified based on the presence or absence of donor-imposed restrictions.

Revenue Recognition – FASB Accounting Standards Codification (ACS) 958, Not-for-Profit Entities, provides accounting guidance specific for not-for-profit entities. Specifically ACS 958-605, provides revenue recognition guidance for both contributions transactions and exchange transactions. During 2019, Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, became effective. The ASU amended the FASB ASC by creating FASB ASC 606, Revenues from Contracts with Customers. FASB ASC 606 is applicable to transactions in which a contract is established with a customer to transfer goods or services (an exchange transaction). As a not-for-profit entity, the Foundation is potentially subject to both ACS 958 and ASC 606 in relation to revenue recognition. The Foundation has reviewed the nature of the transactions entered into during the years and determined no exchange transactions existed. The Foundation activities were limited to contributions as defined by ASC 958-605. Based on this evaluation, FASB ASC 606 is not applicable to the reporting periods.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could materially differ from those estimates.

Cash and Cash Equivalents – The Foundation considers all highly liquid investments purchased with an original maturity of less than ninety (90) days to be cash equivalents.

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

Investments – Investments are carried at fair value in accordance with FASB ASC 958. Unrealized gains and losses are included in the change in net assets. The Foundation recognized an unrealized gain of \$101,538 in 2024 and an unrealized gain of \$271,258 in 2023. Investment income and gains restricted by a donor are reported as increases net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Endowment Fund – The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as Net Assets with Donor Restrictions – In Perpetuity (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulation 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 UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation’s investment policies.

Credit Risk – The Foundation maintains its cash balance at Banner Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, these balances may be in excess of the FDIC insurance limits; however, the Foundation does not consider this to be a credit risk. These balances were not in excess of FDIC insurance limits at December 31, 2024 and 2023.

The Foundation maintains four cash and securities accounts with a stock brokerage firm. At times, the stock brokerage firm may hold some cash balances in FDIC-insured depository institutions (subject to the FDIC limit of \$250,000). The balance of cash, not held in FDIC-insured depositories, and securities are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC). In addition to the SIPC protection, the stock brokerage firm has obtained excess-SIPC coverage. This additional policy provides protection above the SIPC limits, including up to \$1.9 million of cash, subject to an aggregate loss limit of \$1 billion for all customer claims. At year-end 2024 and 2023, the amounts of cash and securities held at the stock brokerage firm were not in excess of the insurance coverage.

Income Tax – The Foundation is a nonprofit corporation as described in Section 501 (c) (3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501 (a) of the Code. The Organization’s Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2022, 2023 and 2024 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 1 Organization and Summary of Significant Accounting Policies (Continued)

Contributions – Under FASB ASC 958, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Donated equipment, materials, and investments are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Board Designated Net Assets Without Donor Restrictions – The Board has designated a portion of net assets without donor restrictions into a designated endowment (See Note 8). The earnings from the investments are available for the support of Pullman Regional Hospital.

Net Assets with Donor Restrictions – Net assets with donor restrictions have been shown in two categories:

Net Assets with Donor Restrictions – For a Specific Purpose – Net assets whose use by the Foundation has been limited by donors to a specific time period or purpose.

Net Assets with Donor Restrictions – In Perpetuity – Net assets have been restricted by donors to be maintained by the Foundation in perpetuity. The earnings from the net assets are available for the specific purpose identified by the donor.

Allocation Method – The Foundation allocates costs among the program and support function. Salaries and benefits are allocated based on actual time spent. Administrative Services are allocated based on the value of the contribution made by The District (See Note 11). There is no indirect allocation of expenses to fundraising.

Subsequent Events – Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Liquidity and Availability of Resources

The Foundation has \$270,480 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$147,019, contributions receivable of \$123,461 and no short-term investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The Foundation has a related party relationship with The District which pays the Foundation's operating costs in exchange for the Foundation's fundraising activities (See Note 11). The District's contributions pay for 100% of the Administrative Services and the majority of the Fundraising costs. The Foundation's general expenses are related to Program Services. With the financial assets available within one year of \$270,480 and the special event revenue earned in calendar year 2025, The Foundation will have sufficient assets to operate during the year. In addition, as part of its liquidity management, The Foundation invests cash in excess of daily requirements in various Level 1 investments as more fully described in Note 4.

NOTE 3 Property, Plant and Equipment

The Foundation's policy is to capitalize an asset if the cost of an individual item is greater than \$1,500 and has a useful life of at least two years. The Foundation's capital assets are reported at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Foundation reports gifts of land, building, and equipment without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquire long-lived assets are placed in service.

All capital assets other than land and construction in progress are depreciated by the straight-line method of depreciation using these asset lives:

Furniture and equipment	3-20 years
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NOTE 3 Property, Plant and Equipment (Continued)

Capital assets at December 31, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	<u>43,923</u>	<u>43,923</u>
Total Property, Plant and Equipment	43,923	43,923
Less accumulated depreciation	<u>(36,390)</u>	<u>(34,219)</u>
Property, Plant and Equipment, Net	<u>\$ 7,533</u>	<u>\$ 9,704</u>

Depreciation expense of \$2,171 and \$2,171 was incurred for the years ended December 31, 2024 and 2023, respectively.

NOTE 4 Investments

The rate of return the Foundation achieved in 2024 and 2023 on its investments was 9.18% and 14.57%, respectively. The fair values of investments measured on a recurring basis using quoted prices in active markets for identical values (Level 1) are as follows:

	<u>2024</u>	<u>2023</u>
Mutual Funds	<u>3,115,836</u>	<u>2,452,210</u>
Total	<u>\$3,115,836</u>	<u>\$2,452,210</u>

Investments are comprised of the following:

	<u>2024</u>	<u>2023</u>
Equities	56.83%	59.84%
Fixed Income	30.15%	25.86%
Cash & equivalents	13.02%	14.30%

Investments are made according to the Investment Policy Statement adopted by The Foundation's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities including investments classified as alternative investments with performance measured against appropriate indices. The Foundation contracts with an external investment consultant for the purpose of providing investment management and consulting services.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation classifies certain of its assets and liabilities based upon established 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 described below:

NOTE 4 Investments (Continued)

Level 1 – Valuations based on unadjusted quoted market prices for identical assets or liabilities that The Foundation has the ability to access at the measurement date;

Level 2 – Valuations based on unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability; and

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

NOTE 5 Assets Held in Annuity Trusts

The Foundation has entered into a trust agreement to receive assets, which are gifts of future interest to the Foundation. This trust is separate legal entity for which the WSU Foundation is trustee and The Foundation is the remainderman. It has been set up in accordance with federal tax laws to gain certain advantages for the donor. The Trust agreement is an annuity trust.

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, and an annuity payable is presented for the trusts in which the WSU Foundation is the trustee and the Foundation is the remainderman.

NOTE 6 Promises to Give

Contribution revenues reflect donations with and without donor restrictions. Contributions specifically restricted by the donor have been included in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the donor restriction expires. Management evaluates potential uncollectible promises to give at year end. Based on this evaluation, an allowance for credit losses was \$1,504 at December 31, 2024 and 2023.

Promises to give at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
<i>Due in:</i>		
Less than one year	123,461	155,593
One to five years	<u>286,167</u>	<u>181,323</u>
Total promises to give	409,628	336,916
Allowance	<u>(1,504)</u>	<u>(1,504)</u>
Promises to give, net	<u>\$408,124</u>	<u>\$335,412</u>

NOTE 7 Assets Held in Charitable Trusts

Assets held in charitable trusts consisted of the following types of investments at December 31:

	<u>2024</u>	<u>2013</u>
Cash equivalents	2,832	-
Fixed income	27,689	-
Equities	62,091	-
Real estate securities	<u>12,271</u>	-
Assets, at fair market value	<u>\$104,883</u>	<u>\$ -</u>

NOTE 8 Net Assets Without Donor Restrictions – Board Designated

The Board has designated, from net assets without restrictions, net assets for the following purpose at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Designated Endowment	<u>307,854</u>	<u>290,252</u>
Total	<u>\$307,854</u>	<u>\$290,252</u>

NOTE 9 Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Employee education scholarship	2,500	-
Patient Care Expansion	358,984	-
Gaskins Pharmacy Scholarship	24,241	18,498
Innovation	19,980	21,185
Women’s Leadership Guild	70,063	75,729
Center for Orthopedic Excellence	122,144	92,098
Women’s & Children’s Center	15	76,111
Team Based Care	121,669	115,242
Family Medical Residency Program	<u>517,038</u>	<u>383,934</u>
Total net assets subject to expenditure for specified purpose	<u>1,236,634</u>	<u>782,797</u>
Subject to Foundation spending policy and appropriation:		
Investment in perpetuity, which, once appropriated, is expendable to support:		
Endowment for Quality and Access	1,665,542	1,569,794
Dr. Robert Magee Family Medicine	74,942	68,865
PRH Physician Leadership	68,114	63,721
Druffel Endowment	<u>127,750</u>	<u>120,461</u>
Total subject to Foundation spending policy and appropriation	<u>1,936,348</u>	<u>1,822,841</u>
Total Net Assets with Donor Restrictions	<u>\$3,172,982</u>	<u>\$2,605,638</u>

NOTE 10 Endowment Funds

The Foundation has four Endowment funds. The Endowment funds are segregated by net asset class in accordance with UPMIFA and ASC 958-205 at December 31, 2024 are as follows:

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions – in Perpetuity</u>	<u>Total</u>
Donor-restricted funds	-	1,936,848	1,936,848
Board-designated funds	<u>307,854</u>	<u>-</u>	<u>307,854</u>
Total Endowment funds	<u>\$307,854</u>	<u>\$1,936,848</u>	<u>\$2,244,702</u>

The following schedule summarizes the change in endowment net assets for the years ended December 31, 2024 and 2023:

	<u>Net Assets without Donor Restrictions</u>	<u>Net Assets with Donor Restrictions – in Perpetuity</u>	<u>Total</u>
Endowment assets, December 31, 2022	262,347	1,635,527	1,897,874
Investment Return:			
Investment income, net of fees	9,824	60,823	70,647
Net appreciation(depreciation) (realized and unrealized)	<u>30,050</u>	<u>185,652</u>	<u>215,702</u>
Total investment return	<u>39,874</u>	<u>246,475</u>	<u>286,349</u>
Contributions and other additions (deletions) to corpus	<u>-</u>	<u>11,500</u>	<u>11,500</u>
Current year distribution	<u>(11,969)</u>	<u>(70,661)</u>	<u>(82,630)</u>
Endowment net assets, December 31, 2023	290,252	1,822,841	2,113,093
Investment Return:			
Investment income, net of fees	16,230	100,914	117,144
Net appreciation(depreciation) (realized and unrealized)	<u>13,590</u>	<u>84,252</u>	<u>97,842</u>
Total investment return	<u>29,820</u>	<u>185,166</u>	<u>214,986</u>
Contributions and additions(deletions) to corpus	<u>-</u>	<u>3,434</u>	<u>3,434</u>
Current year distribution	<u>(12,218)</u>	<u>(74,593)</u>	<u>(86,811)</u>
Endowment net assets, December 31, 2024	<u>\$307,854</u>	<u>\$1,936,848</u>	<u>\$2,244,702</u>

NOTE 10 Endowment Funds (Continued)

The Foundation adheres to a 4.25% annual spending rate, based on the average market value of the particular fund for the preceding (3) year period (*i.e.* a 12 calendar quarter rolling average). This targeted distribution or spending rate is subject to change at the discretion of the Foundation's governing board. The spending rate and related policies will be reviewed annually by the Foundation's Board of Directors, as it reassesses anticipated future rates of inflation, expected total return on investments, and the financial position of Pullman Regional Hospital. The Foundation may also charge a 1.25% administrative fee to cover investment, management and accounting costs. The remainder of income and capital appreciation after allocations, if any, is treated as principal. For multi-year awards from endowments, a commitment should not be made until the full multi-year amount is available for spending.

NOTE 11 Related Party/Salary and Other Expense/Contribution to the District

The District pays for the majority of the Foundation's operating costs in exchange for the Foundation's fundraising activities. These costs include the salaries and benefits of Foundation personnel, as well as most of the operating costs of the Foundation. The donated portion is recorded on the Foundation's books by recording contribution revenue and expense equal to the actual expense to the District. The Foundation also received donated items for the two special events during the year. In relation to these donated operating costs, the Foundation recognized contribution revenue and expense of \$680,864 and \$718,422 in 2024 and 2023.

In 2024, The Foundation contributed \$525,310 to the District to cover its highest needs in equipment purchases, Residency program, and Regional High School Athletic Training Program. The \$525,310 was distributed in 4 payments made quarterly during 2024.

In 2023, The Foundation contributed \$1,305,800 to the District to cover its highest needs in equipment purchases, Residency program, and Regional High School Athletic Training Program. The \$1,305,800 was distributed in 4 payments made quarterly during 2023.

NOTE 12 Grants

USDA Rural Utilities Service – Pullman Regional Hospital is partnering with GemInni Systems, based in Spokane, to deliver speech therapy consultation, diagnosis and treatment via real-time video/audio communications over the Internet. The Telespeech Therapy for Children and Schools project will initially serve children in the Pullman school district and expand to distant rural schools in Whitman County and neighboring counties. The grant was awarded in 2015 for \$272,403 of which \$272,394 has been spent on the grant and \$9 has been deferred in 2024.

Greater Columbia Accountable Community of Health 2020.11 (Practice Transformation) – Develop and implement integrated managed care that increases treatment options for the Pullman Family Medicine and Pullman Regional Hospital patients, and coordinate patients with ancillary services and community – based resources through a holistic integration of primary care, behavioral health, and chemical dependency. The grant award was in the amount of \$303,033, and the Foundation received \$303,033. The grant has incurred \$298,050 in expense and \$4,942 has been deferred in 2024.

NOTE 12 Grants (Continued)

Greater Columbia Accountable Community Health – Whitman County Health Network was awarded \$139,000 and Pullman Regional Hospital Foundation is acting as the financial entity flow-through. Funds are to be used to support care coordination efforts including a Whitman County Health and Human Services Needs Assessment and bi-directional integration of care between primary care and behavioral/mental health. The grant has incurred \$74,630 in expenses and \$64,370 has been deferred in 2024.

Greater Columbia Accountable Community of Health (Strengthening Families) – 2019.02 – Grant funding will assist with the implementation of the Strengthening Families 10-14 program in Whitman County - a 7-week family-centered education and prevention program. Originally designed as a prevention program to address substance use and initiation, the program has also been shown to increase family communication and bonding, increase school performance and attendance, development of family management and monitoring skills, and decreasing the onset of early problem behaviors. The \$159,361 grant has been received. The grant has incurred \$127,944 in expenses and \$31,417 has been deferred in 2024.

Innovia Foundation (Strengthening Families) – A \$15,000 grant that will assist with the implementation of the Strengthening Families 10-14 program in Whitman County - a 7-week family-centered education and prevention program. Originally designed as a prevention program to address substance use and initiation, the program has also been shown to increase family communication and bonding, increase school performance and attendance, development of family management and monitoring skills, and decreasing the onset of early problem behaviors. The grant has incurred \$10,000 in expenses and \$5,000 has been deferred in 2024.

WCHN – Suicide Prevention – The Whitman County Suicide Prevention and Resiliency Task Force is providing Behavioral Health trainings, throughout Whitman County. 1) To print and distribute materials on how to respond and who to contact if someone tells you they are thinking about suicide. 2) Provide community trainings/materials in Mental health First Aid. The Task Force has a certified trainer in both Adult and Youth MHFA. 3) To provide training in Whitman County in the WA Dept. of Health Support Team (HST) Training Program, an evidenced based practice. The award is for \$10,000. The Foundation has received \$5,000, incurred expenses of \$2,980, and \$2,020 was deferred in 2024.

Meter Foundation Grant 2023.08 – Programmatic funding in support of the Foundation’s volunteer efforts around helping recruit, retain, and welcome new WSU Family Medicine Residency Program at Pullman Regional Hospital. The grant award was for \$10,000. The grant has incurred expenses of \$7,290 and \$2,710 has been deferred in 2024.

Avista Grant 2022.01 – Programmatic funding in support of Simulation Lab Technology and Clinical Education for Pullman Regional Hospital and the WSU Family Medicine Residency Program at Pullman Regional Hospital. The grant award was for \$10,000 and has been deferred in 2024.

NOTE 12 Grants (Continued)

Meter Foundation Grant 2022.03 – Programmatic funding in support of Simulation Lab Technology and Clinical Education for Pullman Regional Hospital and the WSU Family Medicine Residency Program at Pullman Regional Hospital. The grant award was for \$10,000. The grant has incurred expenses of \$10,000 and the grant was completed in 2024.

Walmart Stop the Bleeding School Kits 2024.02 – Programmatic funding in support of advanced first aid kits (tourniquet, and post-marathon heat blankets) and then distribute the kits to schools in Pullman. The grant award was for \$1,000 and has been deferred in 2024.

NOTE 13 Legacy Gifts

The Foundation has various future legacy gifts that are not recognized on the financial statements. Legacy gifts include specified gifts written into a will or trust document, being named the beneficiary of a retirement asset or life insurance policy, or gifts of real estate or the residual of an estate. These gifts will be recognized either as with or without donor restrictions in accordance with the Foundation’s accounting policies at the time the gift materializes.