



*A Discrete Component Unit of Florida State University*

## **Financial Statements and Reports**

**For the Years Ended  
June 30, 2025 and 2024**

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**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Financial Statements and Reports**  
*For the Years Ended June 30, 2025 and 2024*

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Florida State University Foundation, Inc.  
Tallahassee, Florida

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of the Florida State University Foundation, Inc. (the "Foundation"), a component unit of the Florida State University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
November 19, 2025

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the Florida State University Foundation, Inc. (Foundation) for the fiscal years ended June 30, 2025, 2024, and 2023. This overview is presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* and should be read in conjunction with the accompanying audited financial statements and notes.

The Foundation is presented as a discrete component unit of Florida State University (University or FSU) and is a direct support organization (DSO) of the University pursuant to Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011. The primary purpose of the Foundation is to support the advancement of FSU through its organized fundraising activities and prudent management of funds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Foundation's basic financial statements comprise the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These statements are prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP), as promulgated by GASB. In accordance with GASB Statement No. 84, *Fiduciary Activities*, the Foundation also presents the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position for custodial funds held on behalf of the University and related entities. A summary of the Foundation's significant accounting policies is provided in the accompanying notes to the financial statements.

## **STATEMENTS OF NET POSITION**

The Statements of Net Position reflect the assets, liabilities, and deferred inflows of resources of the Foundation and present the Foundation's financial position at the end of the fiscal year. Net position, calculated as total assets minus total liabilities and deferred inflows, serves as one indicator of the Foundation's financial health. However, non-financial factors, such as national and global economic conditions, should also be considered when evaluating the Foundation's overall stability. Changes in net position over time indicate whether the Foundation's financial condition is improving or declining.

Net position is reported in the following three categories: net investment in capital assets, restricted net position and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding debt related to the acquisition, construction or improvement of those assets and subscription-based information technology arrangements (SBITA) assets, net of accumulated amortization, reduced by liabilities for future SBITA payments. Restricted net position is comprised of expendable and nonexpendable assets that have constraints on the use of resources imposed by external donors, creditors, laws, or regulations, including constitutional provisions or enabling legislation. Unrestricted net position consists of assets that are not classified as either net investment in capital assets or restricted.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF NET POSITION (continued)**

The following schedule is a summary of the Foundation's Statements of Net Position as of June 30:

**Condensed Statements of Net Position**

|                                       | <u><b>2025</b></u>            | <u><b>2024</b></u>            | <u><b>2023</b></u>           |
|---------------------------------------|-------------------------------|-------------------------------|------------------------------|
| <b>Assets</b>                         |                               |                               |                              |
| Current assets                        | \$ 364,810,643                | \$ 308,367,129                | \$ 272,117,298               |
| Noncurrent assets                     | 795,040,000                   | 756,564,126                   | 724,321,175                  |
| <b>Total assets</b>                   | <u><b>1,159,850,643</b></u>   | <u><b>1,064,931,255</b></u>   | <u><b>996,438,473</b></u>    |
| <b>Liabilities</b>                    |                               |                               |                              |
| Current liabilities                   | 3,898,120                     | 4,073,706                     | 3,352,759                    |
| Noncurrent liabilities                | 6,379,413                     | 7,216,342                     | 7,599,344                    |
| <b>Total liabilities</b>              | <u><b>10,277,533</b></u>      | <u><b>11,290,048</b></u>      | <u><b>10,952,103</b></u>     |
| <b>Deferred inflows of resources</b>  | <u><b>14,181,942</b></u>      | <u><b>12,811,047</b></u>      | <u><b>12,089,179</b></u>     |
| <b>Net position</b>                   |                               |                               |                              |
| Net investment in capital assets      | 3,716,638                     | 3,168,082                     | 2,991,436                    |
| Restricted – expendable               | 518,907,829                   | 458,724,194                   | 420,761,663                  |
| Restricted – nonexpendable endowments | 568,326,033                   | 542,632,453                   | 518,786,487                  |
| Unrestricted                          | 44,440,668                    | 36,305,431                    | 30,857,605                   |
| <b>Total net position</b>             | <u><b>\$1,135,391,168</b></u> | <u><b>\$1,040,830,160</b></u> | <u><b>\$ 973,397,191</b></u> |

As of June 30, 2025, the Foundation's total assets were \$1.2 billion, an increase of \$94.9 million, or 8.9%, compared to the prior year. Current assets, represent resources available to meet current obligations, and include cash, short-term investments, amounts due from related organizations, pledges, and other receivables due within one year, and real estate held for resale. Current assets increased by \$56.4 million, or 18.3%, from the prior year. The growth was driven by an increase in cash of \$11.4 million from contributions received in June 2025 along with strong investment performance that contributed to a \$14.5 million rise in operating pool investments and a \$31.6 million increase in other investments.

The Foundation's investments returned a positive 10.3% during the year ended June 30, 2025, compared to a positive 11.5% during the year ended June 30, 2024.

Noncurrent assets consist of long-term investments, beneficial interests in irrevocable split-interest agreements and trusts held by others, pledges and other receivables due beyond one year, the cash surrender value of life insurance policies, capital assets, and SBITA assets. In fiscal year 2025, noncurrent assets increased by \$38.5 million, or 5.1%, primarily driven by a rise in the market value of private equity investments.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF NET POSITION (continued)**

Looking back to fiscal year 2024, total assets were \$1.1 billion, reflecting an increase of \$68.5 million, or 6.9%, compared to 2023. Current assets increased \$36.2 million, or 13.3%, largely due to strong investment performance. Noncurrent assets increased by \$32.2 million, or 4.5%, also fueled by gains in private equity valuations.

At the close of fiscal year 2025, the Foundation's liabilities totaled \$10.3 million, a reduction of \$1.0 million, or 9.0%, from the prior year. This decrease was primarily the result of lower amounts due to related organizations, driven by payment timing differences compared to 2024. Current liabilities, consisting of amounts payable to the University, related organizations, and vendors, as well as the current portions of the promissory note, annuitant obligations under split-interest agreements, and SBITA liabilities, totaled \$3.9 million. Noncurrent liabilities consisting of long-term annuitant obligations, promissory note, unearned revenue, and amounts due to the University and related organizations beyond 12 months, amounted to \$6.4 million.

In fiscal year 2024, total liabilities were \$11.3 million, an increase of \$0.3 million, or 3.1%, compared to 2023. This uptick was largely due to higher expense accruals related to increased travel and associated costs, fundraising consulting services, and investment expenses. Current obligations were \$4.1 million, while noncurrent obligations stood at \$7.2 million.

The following summarizes capital and SBITA assets for the fiscal years ended June 30:

**Capital and SBITA Assets**

|                                                | <u><b>2025</b></u>             | <u><b>2024</b></u>             | <u><b>2023</b></u>             |
|------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Buildings and improvements, net                | \$ 3,504,373                   | \$ 3,495,197                   | \$ 3,538,744                   |
| Furniture and equipment, net                   | 33,266                         | 53,154                         | 94,156                         |
| Nondepreciable assets                          | <u>1,724,876</u>               | <u>1,635,277</u>               | <u>1,695,281</u>               |
| <b>Capital assets, net</b>                     | <u><b>\$ 5,262,515</b></u>     | <u><b>\$ 5,183,628</b></u>     | <u><b>\$ 5,328,181</b></u>     |
| <br><b>SBITA assets, net</b>                   | <br><u><b>\$ 963,188</b></u>   | <br><u><b>\$ 398,343</b></u>   | <br><u><b>\$ 632,699</b></u>   |
| <br><b>Total capital and SBITA assets, net</b> | <br><u><b>\$ 6,225,703</b></u> | <br><u><b>\$ 5,581,971</b></u> | <br><u><b>\$ 5,960,880</b></u> |

At June 30, 2025, the Foundation's capital assets totaled \$5.3 million, net of accumulated depreciation, and are included in noncurrent assets on the Statements of Net Position. This represents an increase of \$0.1 million, or 1.5%, compared to 2024, primarily reflecting the replacement of the HVAC chiller and work in progress to update building automation systems. These improvements are designed to prevent energy waste, optimize HVAC performance, reduce CO<sub>2</sub> emissions, and improve indoor air quality at the Foundation's office building. The office building and related land comprise \$5.2 million, or 98.7%, of total capital assets.



**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF NET POSITION *(continued)***

In 2024, capital assets were \$5.2 million, a decrease of \$0.1 million, or 2.7%, from 2023. The reduction was primarily due to depreciation expense, partially offset by construction work in progress, including \$13,445 for elevator repairs and \$46,817 for HVAC upgrades.

The Foundation's SBITA assets totaled \$1.0 million as of June 30, 2025, net of accumulated amortization, an increase of \$0.6 million, or 141.8%, compared to 2024. This increase was driven by the commencement of two software subscriptions in June 2025.

In 2024, SBITA assets stood at \$0.4 million, down \$0.2 million, or 37.0%, from 2023. This decrease reflected the final year of a three-year financial accounting software subscription and a two-year constituent relationship management software subscription.

See Notes 9 and 10 to the financial statements for further detail on capital and SBITA assets.

Deferred inflows of resources represent future impacts on net position, and for the Foundation, these consist of changes in irrevocable split-interest agreements and trusts held by others. Such changes may result from fluctuations in fair value, adjustments to liabilities for trust and life income beneficiaries, and new agreements and maturities during the year.

As of June 30, 2025, deferred inflows of resources totaled \$14.2 million, an increase of \$1.4 million, or 10.7%, over 2024, primarily due to changes in the value of trusts held by others and split-interest agreements. In 2024, deferred inflows totaled \$12.8 million, an increase of \$0.7 million, or 6.0%, from 2023, also driven by similar valuation changes.

The Foundation's net position increased by \$94.6 million, or 9.1%, in fiscal year 2025, largely reflecting strong investment returns and the resulting impact on portfolio values. The investment portfolio achieved a positive return of 10.3% for the year, compared to 11.5% in 2024.

In fiscal year 2024, changes in assets, liabilities and deferred inflows resulted in a \$67.4 million, or 6.9%, increase in net position, similarly attributable to favorable market performance and investment gains.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The Statements of Revenues, Expenses and Changes in Net Position summarize the Foundation's financial activity for the fiscal year, separating revenues and expenses into operating and nonoperating categories. Revenues and expenses are recorded when earned or incurred, regardless of when cash is exchanged. The Foundation reports its expenses by functional classification in accordance with GASB guidelines. Additional details on expense classifications are provided in the notes to financial statements and in the Schedules of Functional Expenses that follow.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

The following summarizes the Foundation's changes in net position for the fiscal years ended June 30:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

|                                            | <u><b>2025</b></u>            | <u><b>2024</b></u>             | <u><b>2023</b></u>           |
|--------------------------------------------|-------------------------------|--------------------------------|------------------------------|
| Operating revenues                         | \$ 149,466,576                | \$ 138,507,529                 | \$ 92,373,648                |
| Less: Operating expenses                   | <u>80,260,923</u>             | <u>94,415,716</u>              | <u>61,671,824</u>            |
| <b>Operating income</b>                    | <b>69,205,653</b>             | <b>44,091,813</b>              | <b>30,701,824</b>            |
| Less: Nonoperating expenses                | <u>75,394</u>                 | <u>90,405</u>                  | <u>71,203</u>                |
| <b>Gain before endowment contributions</b> | <b>69,130,259</b>             | <b>44,001,408</b>              | <b>30,630,621</b>            |
| Contributions to permanent endowments      | <u>25,430,749</u>             | <u>23,431,561</u>              | <u>23,602,592</u>            |
| <b>Change in net position</b>              | <b>94,561,008</b>             | <b>67,432,969</b>              | <b>54,233,213</b>            |
| Net position, beginning of year            | <u>1,040,830,160</u>          | <u>973,397,191</u>             | <u>919,163,978</u>           |
| <b>Net position, end of year</b>           | <u><b>\$1,135,391,168</b></u> | <u><b>\$ 1,040,830,160</b></u> | <u><b>\$ 973,397,191</b></u> |

Operating revenues consist of restricted-expendable contributions, investment earnings, interest and dividends, University support, and other miscellaneous revenue. For fiscal year ended June 30, 2025, operating revenues totaled \$149.5 million, an increase of \$11.0 million, or 7.9%, compared to fiscal year 2024. The increase was primarily driven by an additional \$6.0 million in University support, which included \$4.5 million allocated for new fundraising positions, salary adjustments, and the adoption of a fringe benefits pool model, along with \$1.5 million designated for consulting services to support the implementation of a new donor engagement platform. Investment earnings were \$99.4 million in fiscal year 2025, compared to \$96.9 million in 2024, an increase of \$2.6 million, reflecting strong market performance. Contributions increased by \$1.4 million, while other support and revenue grew by \$1.1 million. Professional fees, which include investment manager, consulting, custodial, and legal services, totaled \$20.5 million in fiscal year 2025, compared to \$17.2 million in fiscal year 2024.

In fiscal year 2024, total operating revenues were \$138.5 million, an increase of \$46.1 million, or 49.9%, over 2023, largely due to higher investment performance.

The following summarizes the operating revenues by source that were used to fund operating activities for the fiscal years ended June 30:

**Operating Revenues**

|                                 | <u><b>2025</b></u>           | <u><b>2024</b></u>           | <u><b>2023</b></u>          |
|---------------------------------|------------------------------|------------------------------|-----------------------------|
| Contributions                   | \$ 30,338,317                | \$ 28,983,519                | \$ 27,085,634               |
| Investment earnings             | 99,410,585                   | 96,859,191                   | 56,014,141                  |
| University support              | 14,507,337                   | 8,514,259                    | 6,758,163                   |
| Other support and revenue       | <u>5,210,337</u>             | <u>4,150,560</u>             | <u>2,515,710</u>            |
| <b>Total operating revenues</b> | <u><b>\$ 149,466,576</b></u> | <u><b>\$ 138,507,529</b></u> | <u><b>\$ 92,373,648</b></u> |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION** *(continued)*

Operating expenses cover costs for University programs, fundraising, and the Foundation's administrative operations. In 2025, total operating expenses were \$80.3 million, down \$14.2 million, or 15.0%, from the prior year. This decrease was driven primarily by reduced facilities support for Legacy Hall, \$2.6 million in 2025 compared to \$24.5 million in 2024, offset by an increase in administrative expenses of \$2.1 million, primarily due to consulting related to implementation of new donor engagement platform, as well as an increase in fundraising expenses of \$2.8 million, primarily due to filling both newly created and previously unfilled fundraising positions.

In 2024, operating expenses totaled \$94.4 million, an increase of \$32.7 million, or 53.1%, from 2023. This increase reflected higher spending on facilities support for Legacy Hall, as well as increased scholarship awards, staff and faculty salaries, travel, and operating supplies.

The following illustrates the operating expenses by source that were used to fund operating activities for the fiscal years ended June 30:

**Operating Expenses**

|                                 | <u><b>2025</b></u>          | <u><b>2024</b></u>          | <u><b>2023</b></u>          |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| University programs             | \$ 53,917,539               | \$ 73,351,291               | \$ 44,989,773               |
| Administrative                  | 9,480,991                   | 7,410,180                   | 6,110,471                   |
| Fundraising                     | 15,442,368                  | 12,628,745                  | 10,346,580                  |
| DSO support                     | 1,420,025                   | 1,025,500                   | 225,000                     |
| <b>Total operating expenses</b> | <u><b>\$ 80,260,923</b></u> | <u><b>\$ 94,415,716</b></u> | <u><b>\$ 61,671,824</b></u> |

Nonoperating expenses consist of interest payments on the promissory note for the Foundation's office building and on subscription-based software subscriptions. In 2025, these expenses totaled \$75,394, down \$15,011, or 16.6%, from 2024, primarily because the full first year's payments for two software subscriptions, which began in June 2025, were made upfront at the contract start date, resulting in no interest expense for that year.

In 2024, nonoperating expenses were \$90,405, an increase of \$19,202, or 27.0%, from 2023, primarily due to payments on software subscriptions initiated in June 2023.

**Nonoperating Expenses**

|                                        | <u><b>2025</b></u>      | <u><b>2024</b></u>      | <u><b>2023</b></u>      |
|----------------------------------------|-------------------------|-------------------------|-------------------------|
| Interest on capital asset related debt | \$ 52,796               | \$ 60,139               | \$ 66,987               |
| Interest on SBITA liabilities          | 22,598                  | 30,266                  | 4,216                   |
| <b>Total nonoperating expenses</b>     | <u><b>\$ 75,394</b></u> | <u><b>\$ 90,405</b></u> | <u><b>\$ 71,203</b></u> |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Management's Discussion and Analysis (Unaudited)**  
*June 30, 2025 and 2024*

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (*continued*)**

Contributions to permanent endowments totaled \$25.4 million in 2025, an increase of \$2.0 million, or 8.5%, compared to 2024. In 2024, endowment contributions totaled \$23.4 million, a slight decrease of \$0.2 million, or 0.7%, from 2023.

**ECONOMIC CONDITIONS AND OUTLOOK**

The Foundation's financial outlook is influenced by factors including state support from the University, charitable giving trends, ongoing fundraising campaigns, recent tax law changes, financial market conditions, and investment returns. The University is expected to continue its support at levels consistent with the current year, as both annual and major gifts, as well as endowment income, play a critical role in advancing University programs.

Economic conditions in Florida can impact state appropriations to the University, which in turn may affect the Foundation's level of support. Management is not aware of any other controllable factors that would significantly affect the Foundation's financial position in future periods.

**REQUESTS FOR INFORMATION**

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Florida State University Foundation, 325 West College Avenue, Tallahassee, Florida 32301.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Net Position**  
*June 30, 2025 and 2024*

|                                                 | <u><b>2025</b></u>             | <u><b>2024</b></u>             |
|-------------------------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                   |                                |                                |
| <b>Current assets:</b>                          |                                |                                |
| Cash and cash equivalents                       | \$ 23,828,066                  | \$ 12,473,695                  |
| Operating pool investments                      | 63,420,378                     | 48,955,453                     |
| Due from related organizations                  | 1,838,345                      | 4,583,870                      |
| Pledges receivable, net                         | 783,676                        | 619,861                        |
| Real estate held for sale                       | 1,620,000                      | -                              |
| Investments                                     | 272,076,535                    | 240,493,212                    |
| Remainder interest trusts                       | 651,123                        | 665,733                        |
| Funds held in trust by others, net              | 328,312                        | 300,298                        |
| Other assets                                    | 264,208                        | 275,007                        |
| <b>Total current assets</b>                     | <u><b>364,810,643</b></u>      | <u><b>308,367,129</b></u>      |
| <b>Noncurrent assets:</b>                       |                                |                                |
| Due from related organizations                  | 4,648,429                      | 6,525,597                      |
| Pledges receivable, net                         | 42,527,224                     | 45,600,330                     |
| Investments                                     | 722,263,684                    | 680,711,705                    |
| Remainder interest trusts                       | 8,066,234                      | 7,489,782                      |
| Funds held in trust by others, net              | 9,054,398                      | 8,308,398                      |
| Capital assets, net                             | 5,262,515                      | 5,183,628                      |
| SBITA assets, net                               | 963,188                        | 398,343                        |
| Cash surrender value of life insurance policies | 2,209,078                      | 2,338,996                      |
| Other assets                                    | 45,250                         | 7,347                          |
| <b>Total noncurrent assets</b>                  | <u><b>795,040,000</b></u>      | <u><b>756,564,126</b></u>      |
| <b>TOTAL ASSETS</b>                             | <u><b>\$ 1,159,850,643</b></u> | <u><b>\$ 1,064,931,255</b></u> |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Net Position**  
*June 30, 2025 and 2024*

|                                                   | <u><b>2025</b></u>             | <u><b>2024</b></u>             |
|---------------------------------------------------|--------------------------------|--------------------------------|
| <b>LIABILITIES</b>                                |                                |                                |
| <b>Current liabilities:</b>                       |                                |                                |
| Accounts payable and accrued expenses             | \$ 820,499                     | \$ 752,156                     |
| Due to related organizations                      | 1,478,525                      | 2,086,211                      |
| Promissory note payable                           | 283,221                        | 275,806                        |
| Annuity obligations                               | 651,123                        | 665,732                        |
| SBITA liabilities                                 | 664,752                        | 293,801                        |
| <b>Total current liabilities</b>                  | <u><b>3,898,120</b></u>        | <u><b>4,073,706</b></u>        |
| <b>Noncurrent liabilities:</b>                    |                                |                                |
| Due to related organizations                      | 47,243                         | 747,745                        |
| Unearned revenue                                  | 1,504,076                      | 1,336,883                      |
| Promissory note payable                           | 1,561,092                      | 1,844,282                      |
| Annuity obligations                               | 3,267,002                      | 3,287,432                      |
| <b>Total noncurrent liabilities</b>               | <u><b>6,379,413</b></u>        | <u><b>7,216,342</b></u>        |
| <b>TOTAL LIABILITIES</b>                          | <u><b>10,277,533</b></u>       | <u><b>11,290,048</b></u>       |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>          |                                |                                |
| Split-interest agreements for remainder interests | 4,799,232                      | 4,202,351                      |
| Trusts held by others                             | 9,382,710                      | 8,608,696                      |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>        | <u><b>14,181,942</b></u>       | <u><b>12,811,047</b></u>       |
| <br><b>NET POSITION</b>                           |                                |                                |
| Net investment in capital assets                  | 3,716,638                      | 3,168,082                      |
| Restricted:                                       |                                |                                |
| Expendable                                        | 518,907,829                    | 458,724,194                    |
| Nonexpendable endowments                          | 568,326,033                    | 542,632,453                    |
| Unrestricted                                      | 44,440,668                     | 36,305,431                     |
| <b>TOTAL NET POSITION</b>                         | <u><b>\$ 1,135,391,168</b></u> | <u><b>\$ 1,040,830,160</b></u> |

*The accompanying notes to financial statements are an integral part of this statement.*

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Revenues, Expenses and Changes in Net Position**  
*For the Years Ended June 30, 2025 and 2024*

|                                                  | <u><b>2025</b></u>             | <u><b>2024</b></u>             |
|--------------------------------------------------|--------------------------------|--------------------------------|
| <b>OPERATING REVENUES</b>                        |                                |                                |
| Contributions                                    | \$ 30,338,317                  | \$ 28,983,519                  |
| University support                               | 14,507,337                     | 8,514,259                      |
| Interest and dividends                           | 13,697,237                     | 12,496,626                     |
| Net realized and unrealized gains on investments | 85,713,348                     | 84,362,565                     |
| Other revenue                                    | 3,971,544                      | 3,005,669                      |
| Administrative support                           | 1,238,793                      | 1,144,891                      |
| <b>TOTAL OPERATING REVENUES</b>                  | <u><b>149,466,576</b></u>      | <u><b>138,507,529</b></u>      |
| <b>OPERATING EXPENSES</b>                        |                                |                                |
| University programs                              | 53,917,539                     | 73,351,291                     |
| Administrative                                   | 9,480,991                      | 7,410,180                      |
| Fundraising                                      | 15,442,368                     | 12,628,745                     |
| Transfers to University and DSO support          | 1,420,025                      | 1,025,500                      |
| <b>TOTAL OPERATING EXPENSES</b>                  | <u><b>80,260,923</b></u>       | <u><b>94,415,716</b></u>       |
| <b>OPERATING INCOME</b>                          | <u><b>69,205,653</b></u>       | <u><b>44,091,813</b></u>       |
| <b>NONOPERATING EXPENSES</b>                     |                                |                                |
| Interest on capital asset related debt           | 52,796                         | 60,139                         |
| Interest on SBITA liabilities                    | 22,598                         | 30,266                         |
| <b>TOTAL NONOPERATING EXPENSES</b>               | <u><b>75,394</b></u>           | <u><b>90,405</b></u>           |
| <b>INCOME BEFORE ENDOWMENT CONTRIBUTIONS</b>     | <u><b>69,130,259</b></u>       | <u><b>44,001,408</b></u>       |
| <b>ENDOWMENT CONTRIBUTIONS</b>                   |                                |                                |
| Contributions to endowments                      | 25,430,749                     | 23,431,561                     |
| <b>CHANGE IN NET POSITION</b>                    | <u><b>94,561,008</b></u>       | <u><b>67,432,969</b></u>       |
| Net position, beginning of year                  | 1,040,830,160                  | 973,397,191                    |
| <b>NET POSITION, END OF YEAR</b>                 | <u><b>\$ 1,135,391,168</b></u> | <u><b>\$ 1,040,830,160</b></u> |

*The accompanying notes to financial statements are an integral part of this statement.*

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**

**Statements of Cash Flows**

*For the Years Ended June 30, 2025 and 2024*

|                                                                  | <u><b>2025</b></u>                 | <u><b>2024</b></u>                 |
|------------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                                    |                                    |
| Receipts of contributions                                        | \$ 29,815,857                      | \$ 30,669,617                      |
| Other receipts                                                   | 8,225,432                          | 10,534,014                         |
| Payments for University programs                                 | (53,441,834)                       | (73,136,733)                       |
| Payments for administrative and fundraising operations           | (10,793,691)                       | (9,964,825)                        |
| Payments for DSO support                                         | <u>(1,420,025)</u>                 | <u>(1,025,500)</u>                 |
| <b>Net cash used in operating activities</b>                     | <u><b>(27,614,261)</b></u>         | <u><b>(42,923,427)</b></u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                                    |                                    |
| Proceeds from sale of investments                                | 149,862,196                        | 199,730,791                        |
| Receipts from interest and dividends                             | 13,697,237                         | 12,496,626                         |
| Purchase of investments                                          | <u>(141,017,286)</u>               | <u>(190,075,127)</u>               |
| <b>Net cash provided by investing activities</b>                 | <u><b>22,542,147</b></u>           | <u><b>22,152,290</b></u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                                    |                                    |
| Purchase of capital assets                                       | (282,440)                          | (60,263)                           |
| Principal payments on promissory note payable                    | (275,775)                          | (268,432)                          |
| Principal payments on SBITA liabilities                          | (799,629)                          | (405,045)                          |
| Interest payments on capital debt                                | (52,796)                           | (60,139)                           |
| Interest payments on SBITA liabilities                           | <u>(19,666)</u>                    | <u>(15,698)</u>                    |
| <b>Net cash used in capital and related financing activities</b> | <u><b>(1,430,306)</b></u>          | <u><b>(809,577)</b></u>            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>           |                                    |                                    |
| Contributions for long-term endowments                           | 18,310,182                         | 19,322,045                         |
| Payments of annuity obligations                                  | <u>(453,391)</u>                   | <u>(447,924)</u>                   |
| <b>Net cash provided by noncapital financing activities</b>      | <u><b>17,856,791</b></u>           | <u><b>18,874,121</b></u>           |
| Net change in cash and cash equivalents                          | 11,354,371                         | (2,706,593)                        |
| Cash and cash equivalents, beginning of year                     | <u>12,473,695</u>                  | <u>15,180,288</u>                  |
| <b>Cash and cash equivalents, end of year</b>                    | <u><u><b>\$ 23,828,066</b></u></u> | <u><u><b>\$ 12,473,695</b></u></u> |



**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Cash Flows (continued)**  
*For the Years Ended June 30, 2025 and 2024*

|                                                                                                          | <u>2025</u>                   | <u>2024</u>                   |
|----------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>         |                               |                               |
| Operating income                                                                                         | \$ 69,205,653                 | \$ 44,091,813                 |
| <b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities:</b> |                               |                               |
| Net realized and unrealized (gains)                                                                      | (85,713,348)                  | (84,362,565)                  |
| Interest and dividend income                                                                             | (13,697,237)                  | (12,496,626)                  |
| Administrative support for custodial funds                                                               | (1,238,793)                   | (1,144,891)                   |
| <b>Noncash items:</b>                                                                                    |                               |                               |
| Noncash gifts                                                                                            | (3,123,752)                   | (3,266,073)                   |
| Noncash transfers                                                                                        | (341,917)                     | -                             |
| Depreciation and amortization                                                                            | 818,476                       | 555,804                       |
| Write-off of capital assets                                                                              | 28,729                        | -                             |
| <b>Change in assets and liabilities:</b>                                                                 |                               |                               |
| Due from related organizations                                                                           | 4,622,693                     | 7,510,676                     |
| Pledges receivable                                                                                       | 2,909,291                     | 5,166,558                     |
| Other assets                                                                                             | (27,104)                      | 17,840                        |
| Unearned revenue and other adjustments                                                                   | 185,825                       | 11,200                        |
| Accounts payable and accrued expenses                                                                    | 65,411                        | 611,418                       |
| Due to related organizations                                                                             | (1,308,188)                   | 381,419                       |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                                                             | <u><u>\$ (27,614,261)</u></u> | <u><u>\$ (42,923,427)</u></u> |
| <b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>                                                     |                               |                               |
| Unrealized gains on investments                                                                          | \$ 58,241,641                 | \$ 61,445,831                 |
| Contributions of securities for permanent endowments                                                     | (7,120,567)                   | (4,109,516)                   |
| Receipt (transfers) of real estate held for sale                                                         | 304,000                       | -                             |
| Receipt (transfers) of real estate held for use                                                          | 37,917                        | -                             |

*The accompanying notes to financial statements are an integral part of this statement.*

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Fiduciary Net Position**  
*June 30, 2025 and 2024*

|                                              | <u><b>2025</b></u>           | <u><b>2024</b></u>           |
|----------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                                |                              |                              |
| Cash and cash equivalents                    | \$ 469,179                   | \$ 371,216                   |
| Investments, current                         | 130,882,573                  | 116,890,341                  |
| Investments, noncurrent                      | 66,456,021                   | 59,134,090                   |
| <b>TOTAL ASSETS</b>                          | <u><b>197,807,773</b></u>    | <u><b>176,395,647</b></u>    |
| <b>LIABILITIES</b>                           |                              |                              |
| Due to related organizations                 | 26,137                       | 37,250                       |
| <b>TOTAL LIABILITIES</b>                     | <u><b>26,137</b></u>         | <u><b>37,250</b></u>         |
| <b>FIDUCIARY NET POSITION</b>                |                              |                              |
| Restricted:                                  |                              |                              |
| Florida State University Research Foundation | 149,417,525                  | 132,127,286                  |
| Seminole Boosters                            | 31,194,984                   | 28,368,875                   |
| Florida State University                     | 9,781,313                    | 8,974,076                    |
| Florida State University Alumni Association  | 6,584,589                    | 6,138,087                    |
| Florida State University Athletics           | 803,225                      | 750,073                      |
| <b>TOTAL FIDUCIARY NET POSITION</b>          | <u><b>\$ 197,781,636</b></u> | <u><b>\$ 176,358,397</b></u> |

*The accompanying notes to financial statements are an integral part of this statement.*

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Statements of Changes in Fiduciary Net Position**  
*For the Years Ended June 30, 2025 and 2024*

|                                             | <u><b>2025</b></u>           | <u><b>2024</b></u>           |
|---------------------------------------------|------------------------------|------------------------------|
| <b>ADDITIONS</b>                            |                              |                              |
| Contributions                               | \$ -                         | \$ 442                       |
| Transfers from related entities             | 11,756,851                   | 5,937,565                    |
| Interest and dividends                      | 195,535                      | 175,379                      |
| Net realized and unrealized gains           | 16,969,999                   | 17,734,860                   |
| <b>TOTAL ADDITIONS</b>                      | <u><b>28,922,385</b></u>     | <u><b>23,848,246</b></u>     |
| <b>DEDUCTIONS</b>                           |                              |                              |
| Expenses to support University programs     | 6,260,353                    | 4,953,791                    |
| Administrative support                      | 1,238,793                    | 1,144,891                    |
| <b>TOTAL DEDUCTIONS</b>                     | <u><b>7,499,146</b></u>      | <u><b>6,098,682</b></u>      |
| <b>CHANGE IN FIDUCIARY NET POSITION</b>     | <b>21,423,239</b>            | <b>17,749,564</b>            |
| Fiduciary net position, beginning of year   | 176,358,397                  | 158,608,833                  |
| <b>FIDUCIARY NET POSITION - END OF YEAR</b> | <u><b>\$ 197,781,636</b></u> | <u><b>\$ 176,358,397</b></u> |

*The accompanying notes to financial statements are an integral part of this statement.*

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**Organization** – The Florida State University Foundation, Inc. (Foundation) is a direct support organization (DSO) of Florida State University (University or FSU), established under Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011 to advance the University through organized fundraising and prudent funds management. The Foundation is governed by a Board of Trustees comprised primarily of appointed volunteer members, some of whom are significant donors to the Foundation. The Board also includes ex-officio University and Foundation staff. All elected board members must be approved by the University’s Board of Trustees. The Foundation is a non-profit Florida corporation exempt from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in Section 501(c)(3), except for unrelated business income. It is classified as an organization operated for the benefit of a public college or university described in Section 170(b)(1)(A)(iv) and is reported as a discrete component unit of the University in its financial statements.

**Reporting Entity** – In defining the Foundation for financial reporting purposes, management applied the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *the Financial Reporting Entity: Omnibus*. These standards establish criteria for determining whether an organization is a component unit of another entity. An organization is considered a component unit if it is financially accountable to another entity, meaning that the entity appoints a voting majority of the governing board and either can impose its will on the organization, or has a relationship of financial benefit or burden with the organization. Financial accountability also exists if the organization is fiscally dependent on another entity and a financial benefit or burden relationship is present, even if the other entity does not appoint a voting majority of the governing board. The Foundation meets all financial accountability criteria and is therefore considered a component unit of the University.

A summary of the Foundation’s significant accounting policies follows:

**Basis of Presentation** – As a discrete component unit of the University, the Foundation prepares its financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, which applies the reporting model established by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. These standards require public institutions to present management’s discussion and analysis, basic financial statements, notes to the financial statements, and required supplementary information other than management’s discussion and analysis (MD&A).

**Basis of Accounting** – The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for government business-type activities. Revenues are recognized when earned and expenses when the related liability is incurred, regardless of the timing of cash flows.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Net position of the Foundation is reported in three categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets, net of unspent related debt proceeds. This category also includes SBITA assets, net of accumulated amortization, reduced by liabilities for future SBITA payments.

Restricted net position – Resources subject to externally imposed restrictions by creditors, grantors, contributors, or laws and regulations, or internally imposed restrictions through enabling legislation.

Expendable – Restricted resources available for use in support of various University programs, including the expendable portion of endowment funds.

Nonexpendable – Restricted resources, such as the corpus of permanent endowments that must be retained in perpetuity. Earnings or losses on these funds are included in expendable restricted net position.

Unrestricted net position – Resources available without restriction for carrying out the Foundation's objectives, which may be designated for specific purposes by the Board of Trustees. This category may include losses in excess of historical endowment cost.

The Foundation's policy is to apply restricted resources before unrestricted resources when expenses are incurred for purposes for which both are available for use.

**Fund Accounting** – The Foundation maintains separate accounts for each fund in its general ledger to ensure compliance with donor restrictions. Funds are classified by nature and purpose and are combined into a single column for financial reporting purposes.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions affecting reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and contingent assets and liabilities, as well as revenues and expenses. Actual results may differ from these estimates.

**Income Taxes** – Based on a determination letter received from the Internal Revenue Service (IRS), the Foundation is a non-profit corporation exempt from federal income tax under IRC Section 501(c)(3), except for unrelated business income. Management has evaluated its tax positions and determined there are no uncertain positions requiring recognition in the financial statements.

**Revenue Recognition** – Gifts of cash, investment securities, and pledges receivable are recognized as revenue when all eligibility requirements have been met, except for pledges to the endowment, which are recognized when received. Noncash donations, such as securities and other assets, are recorded at acquisition value on the date of the gift.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**Operating and Nonoperating Activities** – Operating income consists of revenues and expenses from the Foundation’s daily activities, including contributions, University or other support, interest, dividends, and net realized and unrealized investment gains and losses. Operating expenses include program support, facility expenses, and administrative and fundraising costs. Contributions to endowments are excluded from both operating and nonoperating activities and are reported separately as endowment contributions.

**Cash and Cash Equivalents** – Highly liquid investments available for current use with an original maturity of three months or less are considered cash equivalents. Cash received near year-end that is pending investment is included in cash and cash equivalents if held in demand deposits or other short-term instruments meeting the above definition. Amounts pending investment that are held in the operating pool or long-term investment portfolio in instruments with maturities greater than three months are reported as investments.

**Operating Pool Investments** – Excess cash is invested primarily in a short-term, investment-grade bond fund with credit ratings ranging from Aaa to BBB. These investments are reported at fair value, with related realized and unrealized gains and losses reported net of investment expenses.

**Due from Related Organizations** – Amounts due from related organizations represent balances owed from the University and its affiliated entities. These balances include a loan to the University to fund a portion of the student union facility, an advance for the construction of facilities for the John and Mable Ringling Museum of Art, and amounts due to the Foundation as a partial beneficiary under a donor gift agreement with the Seminole Boosters. These receivables are fully collectible; therefore, no allowance has been recorded. Additional information on related party transactions is provided in Note 18.

**Pledges Receivable** – In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, receivables and revenues are recognized when the Foundation receives an unconditional promise to give that is measurable, verifiable, probable of collection, and all eligibility requirements (including time requirements) have been met. Conditional promises to give are not recognized until the conditions are substantially met. Pledges to permanent endowments are not recorded as assets until the related payments are received, as they do not meet eligibility requirements.

Unconditional promises to give collectible within one year are recorded at net realizable value, which approximates fair value at the pledge date. Those collectible in future years are recorded at the present value of estimated future cash flows, discounted using risk-free interest rates applicable to the pledge year. Discount rates applied range from 1.01% to 5.00%. The Foundation also records an allowance for uncollectible pledges based on historical collections experience, economic conditions, pledge activity, and other factors. This allowance incorporates a risk premium to reduce the pledges receivable balance to a risk-adjusted expected cash flow.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**Real Estate Held for Sale** – The Foundation may receive real estate contributions with donor stipulations that the properties be sold and the proceeds used for the benefit of the University. Real estate held for sale is reported at fair value based primarily on periodic appraisals and other relevant market information.

**Investments and Fair Value Measurement** – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, 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. Marketable equity and debt securities, including mutual funds, are reported at fair value based on quoted market prices or recognized pricing services. Additional investment disclosures are provided in Note 2.

Alternative investments, some held through limited partnership interests, are reported at net asset value (NAV) as a practical expedient for fair value. NAV is adjusted for cash receipts, disbursements, security distributions, and significant known valuation changes in underlying holdings. These investments may include both market-traded and non-marketable securities. Valuations may be based on historical cost, appraisals, or other estimates requiring judgment, and generally reflect net contributions and an ownership share of realized and unrealized income and expenses. Some alternative investments may indirectly expose the Foundation to securities lending, short sales, futures, forwards, options, swaps, and other derivative instruments. While these investments involve varying degrees of risk, the Foundation's exposure is limited to its capital balance in each investment and any unfunded commitments. The financial statements of the investees are audited annually by independent auditors.

The Foundation manages its long-term investments on a total return basis. To preserve purchasing power, the Board of Trustees authorizes an annual spending rate based on a percentage of the average market value of participating funds for the twelve preceding quarters. The effective spending rate was 3.39% and 3.28% for the years ended June 30, 2025 and 2024, respectively.

**Remainder Interest Trusts** – The Foundation is trustee and beneficiary of numerous charitable remainder trusts and gift annuities. The assets are recorded at fair value. For gift annuities, a corresponding liability is recorded for estimated future contractual payments, discounted to present value based on the annuitant's life expectancy and expected return on the gift. Discount rates, determined at the date of the gift, range from 0.4% to 8.2%. The related asset and liability are offset by deferred inflows of resources. Changes in the value of split-interest agreements are recorded as adjustments to deferred inflows of resources until the trust terminates. Distributions are recognized as contributions when received, and any remaining liability is recognized as a gain.

**Funds Held in Trust by Others** – The Foundation is the beneficiary of various donor-established trusts, the assets of which are held by external trustees. These amounts are recorded as both assets and deferred inflows of resources at their net present value, which approximates fair value, and are revalued annually. Distributions from these trusts are recognized as contributions when received. Discount rates used for valuation were 8.49% and 8.41% for the years ended June 30, 2025 and 2024, respectively, based on the U.S. Treasury rates plus a risk premium.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets** – Capital assets include land and land improvements, buildings and improvements, construction in progress, and equipment costing \$5,000 or more with an estimated useful life greater than one year. Purchased assets are recorded at cost, while donated assets are recorded at acquisition value on the date of gift. Depreciation is calculated using the straight-line method over the estimated useful life of the assets, which range from 3 to 30 years. Land and construction in progress are not depreciated. Major renewals and betterments that extend the useful lives of assets are capitalized, while routine maintenance and repairs are expensed as incurred.

**Impairment of Capital Assets** – The Foundation reviews capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in service utility outside the asset's normal life cycle. Impaired assets are reported at the lower of carrying value or fair value. No impairments were recognized for the years ended June 30, 2025 and 2024.

**Subscription Based Information Technology Arrangements (SBITA) Assets** – SBITA assets include software subscriptions of \$100,000 or more with terms longer than 12 months. Assets are initially measured at the related subscription liability plus any prepayments and certain direct costs. Amortization is recognized on a straight-line basis over the subscription term, which ranges from two to three years.

**SBITA Liabilities** – SBITA liabilities are initially measured at the present value of expected subscription payments over the subscription term, discounted using the rate in effect when the asset is placed into service. Discount rates ranged from 3.0% to 6.7%.

**Cash Surrender Value of Life Insurance Policies** – The Foundation holds life insurance policies for which it is the designated owner and beneficiary. These policies are recorded at cash surrender value in the financial statements.

**Other Assets** – Other assets include accounts receivable, prepaid expenses and other advances or deposits. The Foundation records an allowance for uncollectible accounts receivable, reserving 100% of balances more than 90 days past due.

**Accounts Payable and Accrued Expenses** – Accounts payable includes vendor obligations and accrued expenses for goods or services received but not yet invoiced at the reporting date.

**Due to Related Organizations** – Amounts due to related organizations represent obligations to the University and affiliated entities. These balances primarily consist of reimbursements to the University for departmental expenses and salaries and benefits for Foundation employees, as well as outstanding balances owed for future life insurance distributions. See Note 18 for more details on related party transactions.

**Unearned Revenue** – Unearned revenue represents cash received before eligibility requirements are met. When only time restrictions remain, amounts are recorded as deferred inflows until those restrictions lapse. Amounts recorded as unearned revenue primarily relate to a conditional requirement to maintain the Curator of Performance position at The John & Mable Ringling Museum of Art.



# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**Inexhaustible Collections** – The Foundation has elected to exercise the option of not capitalizing items that meet the definition of “collections” as prescribed by GAAP. All donated collection items are transferred to the University at the time of the gift. The Foundation received donations of paintings, sculptures, photographs, memorabilia, and similar items valued at \$2,036,765 and \$1,398,185 for the years ended June 30, 2025 and 2024, respectively. These amounts are not reflected in the accompanying financial statements.

**Deferred Inflow of Resources** – Deferred inflows of resources represent amounts applicable to future reporting periods. The Foundation records activity from irrevocable split-interest agreements, including remainder interest trusts and trusts held by others, as deferred inflows of resources. These amounts will be recognized as revenue upon the termination of the respective trusts.

**Fiduciary Activities** – The Foundation reports one category of fiduciary funds: Custodial Funds. These funds are held in a custodial capacity for the University, the Florida State University Research Foundation, the Seminole Boosters, the Florida State University Alumni Association, and Florida State University Athletics. In accordance with GASB Statement No. 84, *Fiduciary Activities*, related balances and activities are reported in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. These amounts are excluded from the Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position.

**Recent Accounting Pronouncements** – Effective for the fiscal year ended June 30, 2025, the Foundation adopted the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement provides updated guidance on the recognition and measurement of liabilities related to compensated absences. The implementation did not result in a material change to the Foundation’s financial position or disclosures.

The Foundation also adopted GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year ended June 30, 2025. This Statement requires disclosure of certain risks that could significantly affect financial position or operations. Based on management’s assessment, no conditions existed during the reporting period that met the criteria for disclosure under this Statement. As such, the adoption did not have a material impact on the Foundation’s financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This statement introduces key improvements to the financial reporting model, including enhancements to MD&A, changes to the presentation of the proprietary fund statement of revenues, expenses, and changes in net position, and updated budgetary comparison information requirements. The statement is required to be adopted for fiscal years beginning after June 15, 2025, with earlier adoption permitted. The Foundation is assessing the impact of this standard.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. This statement requires separate disclosure for four asset types: (a) lease assets reported under Statement No. 87, *Leases*, (b) intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (c) subscription assets reported under Statement No. 96, *Subscription-Based Information Technology Arrangements*, and (d) other intangible assets. It also requires disclosure of the ending balance, historical cost, and accumulated depreciation by major class for capital assets held for sale, along with the carrying amount of any debt for which those assets are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Foundation does not anticipate a material impact upon adoption.

Management has also considered other new accounting guidance issued by the GASB but not yet adopted. None of these are expected to have a material effect on the Foundation's reported net position or activities in the near term.

**2. DEPOSITS AND INVESTMENTS**

**Cash and Cash Equivalents** – The goal of the Foundation is to invest its excess operating cash in a manner that will achieve the highest possible total return while preserving capital. The Foundation maintains accounts with large financial institutions that qualify as public depositories under Chapter 280, Florida Statutes. A qualified public depository must have a Florida branch authorized to receive deposits, maintain Federal Deposit Insurance Corporation (FDIC) coverage, meet the requirements of Section 280.17, Florida Statutes, and be approved by the Florida Treasury's Bureau of Collateral Management to accept public funds. In accordance with Chapter 280, public depositories are not liable for any loss of such deposits.

If a qualified public depository fails, losses are first covered by applicable deposit insurance, then by liquidation of pledged collateral from the defaulting depository. If necessary, assessments may also be made against other qualified public depositories of the same type.

As of June 30, 2025 and 2024, total cash balances were \$24,297,245 and \$12,844,911, respectively. Of these amounts, cash in custodial funds totaled \$469,179 and \$371,216 as of June 30, 2025 and 2024, respectively. Deposits held with public depositories totaled \$1,327,645 and \$1,109,292 as of June 30, 2025 and 2024, respectively. The remaining balances were invested in various short-term investment vehicles.

**Operating Pool Investments** – The Foundation's operating pool investments are held in a short-term bond fund comprised primarily of high-quality and, to a lesser extent, medium-quality fixed income securities. At least 80% of the portfolio is invested in short- and intermediate-term investment-grade securities. The fund is expected to maintain a dollar-weighted average maturity of one to four years. Operating pool investments totaled \$63,420,378 and \$48,955,453 as of June 30, 2025 and 2024, respectively. Investment expenses are included in net realized and unrealized gains and losses in the accompanying Statements of Revenues, Expenses and Changes in Net Position, and totaled \$25,872 and \$22,653 for the years ended June 30, 2025 and 2024, respectively.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

Realized gains and losses, as well as changes in fair value of operating pool investments, are reflected in net realized and unrealized gains and losses in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

**Custodial Funds** – The Foundation invests funds on behalf of the University and its affiliated entities. In accordance with GASB Statement No. 84, *Fiduciary Activities*, the related assets and activities are reported in the accompanying Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. The fair value of these investments was \$197,338,594 and \$176,024,431 at June 30, 2025 and 2024, respectively.

**Fair Value Measurements** – The Foundation’s investment objective is to achieve a total rate of return sufficient to replenish assets withdrawn in accordance with its investment and spending policies. Achieving this objective requires accepting some investment risk. To manage that risk, the Foundation diversifies across multiple financial instruments and asset categories, employs varied investment strategies, and engages multiple investment managers.

Oversight of the investment program rests with the Foundation’s Investment Committee, which determines appropriate asset categories, approves asset allocation targets, and authorizes investment strategies. In December 2016, the Foundation reaffirmed its engagement with Cambridge Associates, LLC, an independent consulting firm, to execute its investment program, including the engagement of investment managers, oversight of those managers, investment policy planning, review and compliance, and investment performance reporting. All financial assets are held in custody for the Foundation in proprietary accounts by a major commercial bank, except those assets that have been invested in limited partnerships, hedge funds or in certain products with multiple investors, such as index funds, all of which have separate custodial arrangements appropriate to their legal structure.

The Foundation applies the framework established in GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value and establishes a hierarchy of inputs used in valuation techniques. The hierarchy prioritizes inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 Unobservable inputs for the asset or liability, used when observable inputs are not available. In these situations, the Foundation develops inputs using the best information available in the circumstances.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

In some cases, the inputs used to measure the fair value of an asset or a liability may be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based on pricing transparency and does not necessarily correspond to the Foundation's assessment of its quality, risk, or liquidity.

A portion of the Foundation's investments are classified within Level 1 because they are comprised of marketable securities and operating pool investments with readily determinable fair values based on daily redemption values. There are no investments within Level 2. The Foundation's policy is to recognize transfers between levels at the end of each reporting period. There were no transfers that occurred between Level 1, Level 2 and Level 3 during the years ended June 30, 2025 and 2024.

The Foundation's limited partnerships are invested in real estate, natural resources, venture capital, private equity, and distressed funds. These investments have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Generally, the companies within a fund are valued by the general partner, considering factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, and additional rounds of financing and other relevant data. Therefore, the fair values of limited partnership investments are based on the valuations as presented in the fund's June 30, 2025 capital account statement. Investments in limited partnerships represents 29.53% and 29.18% of total investments at June 30, 2025 and 2024, respectively.

The following is a description of the valuation methodologies used for instruments measured at fair value:

*Operating pool investments* – The Foundation's operating pool investments consist of an investment grade bond fund with underlying credit quality primarily rated Aaa to BBB and is classified as Level 1.

*Marketable securities* – The fair value of marketable securities reflects market closing prices reported from publicly traded exchanges and are recorded in Level 1.

*Commingled funds and alternative investments* – These assets are valued at NAV and are not classified within the fair value hierarchy.

*Remainder interest trusts* – The Foundation's beneficial interest in funds held in trusts administered by a third party is classified at NAV. Its fair value is based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets. The Foundation holds an irrevocable right to receive the remaining trust assets once the trust matures and thus the fair value of the Foundation's beneficial interest is estimated to approximate the fair value of the trusts' assets.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. DEPOSITS AND INVESTMENTS (continued)

*Funds held in trust by others* – The Foundation’s beneficial interest in irrevocable split interest agreements held or controlled by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows). The fair values are estimated using the income approach and measured at the present value of the future distributions the Foundation expects to receive over the term of the agreements.

Assets measured at fair value on a recurring basis as of June 30 are summarized as follows:

| June 30, 2025                              | Level 1              | Level 2     | Level 3             | NAV                   | Total                  |
|--------------------------------------------|----------------------|-------------|---------------------|-----------------------|------------------------|
| Marketable securities:                     |                      |             |                     |                       |                        |
| Short-term investment fund                 | \$ 14,412,778        | \$ -        | \$ -                | \$ -                  | \$ 14,412,778          |
| Securities held for resale                 | 36,387               | -           | -                   | -                     | 36,387                 |
| Institutional Pooled Funds:                |                      |             |                     |                       |                        |
| Domestic Fixed Income                      | 96,826,951           | -           | -                   | -                     | 96,826,951             |
| Domestic Large Cap Equities                | 16,020,652           | -           | -                   | -                     | 16,020,652             |
| Other financial instruments:               |                      |             |                     |                       |                        |
| Funds held in trust by others              | -                    | -           | 9,382,710           | -                     | 9,382,710              |
| Operating pool investments                 | 63,420,378           | -           | -                   | -                     | 63,420,378             |
| Remainder interest trusts <sup>(a)</sup>   | -                    | -           | -                   | 8,717,357             | 8,717,357              |
| Investments measured at NAV <sup>(a)</sup> | -                    | -           | -                   | 1,064,382,045         | 1,064,382,045          |
| <b>Custodial assets invested</b>           | <b>(21,073,953)</b>  | <b>-</b>    | <b>-</b>            | <b>(176,264,641)</b>  | <b>(197,338,594)</b>   |
| <b>Total investments</b>                   | <b>\$169,643,193</b> | <b>\$ -</b> | <b>\$ 9,382,710</b> | <b>\$ 896,834,761</b> | <b>\$1,075,860,664</b> |

| June 30, 2024                              | Level 1              | Level 2     | Level 3             | NAV                  | Total                |
|--------------------------------------------|----------------------|-------------|---------------------|----------------------|----------------------|
| Marketable securities:                     |                      |             |                     |                      |                      |
| Short-term investment fund                 | \$ 25,197,081        | \$ -        | \$ -                | \$ -                 | \$ 25,197,081        |
| Securities held for resale                 | 962,100              | -           | -                   | -                    | 962,100              |
| Institutional Pooled Funds:                |                      |             |                     |                      |                      |
| Domestic Fixed Income                      | 87,945,851           | -           | -                   | -                    | 87,945,851           |
| Domestic Large Cap Equities                | 17,478,269           | -           | -                   | -                    | 17,478,269           |
| Other financial instruments:               |                      |             |                     |                      |                      |
| Funds held in trust by others              | -                    | -           | 8,608,696           | -                    | 8,608,696            |
| Operating pool investments                 | 48,955,453           | -           | -                   | -                    | 48,955,453           |
| Remainder interest trusts <sup>(a)</sup>   | -                    | -           | -                   | 8,155,515            | 8,155,515            |
| Investments measured at NAV <sup>(a)</sup> | -                    | -           | -                   | 965,646,047          | 965,646,047          |
| <b>Custodial assets invested</b>           | <b>(20,955,074)</b>  | <b>-</b>    | <b>-</b>            | <b>(155,069,357)</b> | <b>(176,024,431)</b> |
| <b>Total investments</b>                   | <b>\$159,583,680</b> | <b>\$ -</b> | <b>\$ 8,608,696</b> | <b>\$818,732,205</b> | <b>\$986,924,581</b> |

(a) Certain investments that are measured at NAV per share using the practical expedient or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are reported for the purpose of reconciling the fair value hierarchy to the investments as shown in the accompanying Statements of Net Position.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**

**Notes to Financial Statements**

*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

Investment expenses, which are included in net realized and unrealized gains and losses, totaled \$20,466,713 and \$17,197,844 for the years ended June 30, 2025 and 2024, respectively. The following schedule provides a breakdown of net realized and unrealized gains and losses on investments for the years ended June 30:

|                                          | <u><b>2025</b></u>          | <u><b>2024</b></u>          |
|------------------------------------------|-----------------------------|-----------------------------|
| Net realized gains                       | \$ 44,441,706               | \$ 40,651,594               |
| Net unrealized gains                     | <u>58,241,641</u>           | <u>61,445,831</u>           |
| Total net realized and unrealized gains  | <u>102,683,347</u>          | <u>102,097,425</u>          |
| Custodial fund net realized (gains)      | <u>(16,969,999)</u>         | <u>(17,734,860)</u>         |
| <b>Net realized and unrealized gains</b> | <b><u>\$ 85,713,348</u></b> | <b><u>\$ 84,362,565</u></b> |

The calculation of realized gains and losses is independent from the calculation of the net change in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year reflect fair value changes of investments recognized in both prior year(s) and the current year.

Investments not reported at fair value as of June 30, 2025 and 2024 consist of the Foundation's investment in the State Board of Administration Florida PRIME. These investments are recorded at amortized cost, with fair value equal to the value of pooled shares.

The Foundation believes its valuation methods are appropriate and consistent with those used by other market participants; however, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**

**Notes to Financial Statements**

*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

The following table discloses all investments whose value is calculated using NAV, using the practical expedient.

| <b>June 30, 2025</b>                         | <b>Fair Value</b>       | <b>Unfunded<br/>Commitments</b> | <b>Redemption Frequency</b>    | <b>Redemption<br/>Notice Period</b> |
|----------------------------------------------|-------------------------|---------------------------------|--------------------------------|-------------------------------------|
| <u>Fixed income</u> (a)                      |                         |                                 |                                |                                     |
| Private credit                               | \$ 13,277,146           | \$ 1,698,919                    | N/A                            | N/A                                 |
| <u>Equities</u> (b)                          |                         |                                 |                                |                                     |
| Institutional pooled funds                   | 564,169,289             | -                               | Daily/1-6 Months               | 2-60 days                           |
| <u>Hedge funds</u>                           |                         |                                 |                                |                                     |
| Growth (c)                                   |                         |                                 |                                |                                     |
| Long/short                                   | 12,239,210              | -                               | Annually                       | 60 days                             |
| Open mandate                                 | 16,153,536              | -                               | Quarterly/Annually/Every 3 Yrs | 45-65 days                          |
| Diversifier (d)                              |                         |                                 |                                |                                     |
| Multi-Strategy                               | 41,876,870              | -                               | Quarterly                      | 45 days                             |
| Event driven/open mandate                    | 10,329,446              | -                               | Quarterly/Annually             | 30-90 days                          |
| Credit strategies/distressed                 | 7,478,694               | -                               | Quarterly/Annually/Every 2 Yrs | 45-90 days                          |
| Global macro                                 | 23,028,749              | -                               | Monthly                        | 10 days                             |
| Private credit                               | 9,218,200               | 574,315                         | N/A                            | N/A                                 |
| Long/short                                   | 11,785,005              | -                               | Quarterly                      | 60 days                             |
| <u>Limited partnerships</u> (e)              |                         |                                 |                                |                                     |
| Venture capital                              | 66,091,775              | 6,701,594                       | N/A                            | N/A                                 |
| Private equity                               | 175,635,781             | 70,876,872                      | N/A                            | N/A                                 |
| Distressed assets                            | 27,164,640              | 16,964,076                      | N/A                            | N/A                                 |
| Private credit                               | 3,701,067               | 985,486                         |                                |                                     |
| Real estate                                  | 27,676,700              | 17,008,868                      | N/A                            | N/A                                 |
| Natural resources                            | 52,287,374              | 17,599,927                      | N/A                            | N/A                                 |
| <u>Real assets</u> (f)                       |                         |                                 |                                |                                     |
| Global real estate institutional pooled fund | 2,268,563               | -                               | Daily/Monthly                  | 2 days                              |
| <b>Total investments</b>                     | <b>\$ 1,064,382,045</b> | <b>\$ 132,410,057</b>           |                                |                                     |
| <u>Remainder interest trusts</u>             |                         |                                 |                                |                                     |
| Fixed income                                 |                         |                                 |                                |                                     |
| Domestic institutional pooled fund           | \$ 2,922,822            | \$ -                            | Daily                          | N/A                                 |
| Equities                                     |                         |                                 |                                |                                     |
| U.S. institutional pooled fund               | 3,494,916               | -                               | Daily/1-6 Months               | N/A                                 |
| Global ex U.S. institutional pooled fund     | 1,724,064               | -                               | 1-6 Months                     | N/A                                 |
| Real Assets                                  |                         |                                 |                                |                                     |
| Global REIT mutual fund                      | 540,681                 | -                               | Daily                          | N/A                                 |
| Commodity index fund                         | 34,874                  | -                               | Daily                          | N/A                                 |
| <b>Total other financial instruments</b>     | <b>\$ 8,717,357</b>     | <b>\$ -</b>                     |                                |                                     |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

| <b>June 30, 2024</b>                         | <b>Fair Value</b>     | <b>Unfunded Commitments</b> | <b>Redemption Frequency</b>    | <b>Redemption Notice Period</b> |
|----------------------------------------------|-----------------------|-----------------------------|--------------------------------|---------------------------------|
| <u>Fixed income (a)</u>                      |                       |                             |                                |                                 |
| Private credit                               | \$ 13,193,608         | \$ 1,573,328                | N/A                            | N/A                             |
| <u>Equities (b)</u>                          |                       |                             |                                |                                 |
| Institutional pooled funds                   | 509,000,667           | -                           | Daily/1-6 Months               | 2-60 days                       |
| <u>Hedge funds</u>                           |                       |                             |                                |                                 |
| Growth (c)                                   |                       |                             |                                |                                 |
| Long/short                                   | 10,082,990            | -                           | Annually                       | 60 days                         |
| Open mandate                                 | 14,493,210            | -                           | Quarterly/Annually/Every 3 Yrs | 45-65 days                      |
| Diversifier (d)                              |                       |                             |                                |                                 |
| Multi-Strategy                               | 38,142,137            | -                           | Quarterly                      | 45 days                         |
| Event driven/open mandate                    | 9,314,623             | -                           | Quarterly/Annually             | 30-90 days                      |
| Credit strategies/distressed                 | 7,428,417             | -                           | Quarterly/Annually/Every 2 Yrs | 45-90 days                      |
| Global macro                                 | 21,777,261            | -                           | Monthly                        | 10 days                         |
| Private credit                               | 9,322,628             | 574,315                     | N/A                            | N/A                             |
| Long/short                                   | 10,132,423            | -                           | Quarterly                      | 60 days                         |
| <u>Limited partnerships (e)</u>              |                       |                             |                                |                                 |
| Venture capital                              | 69,749,657            | 7,713,749                   | N/A                            | N/A                             |
| Private equity                               | 149,250,910           | 53,098,793                  | N/A                            | N/A                             |
| Distressed assets                            | 21,795,837            | 16,739,108                  | N/A                            | N/A                             |
| Private credit                               | 3,990,537             | 2,740,486                   |                                |                                 |
| Real estate                                  | 24,888,899            | 12,883,264                  | N/A                            | N/A                             |
| Natural resources                            | 50,920,561            | 11,549,042                  | N/A                            | N/A                             |
| <u>Real assets (f)</u>                       |                       |                             |                                |                                 |
| Global real estate institutional pooled fund | 2,161,682             | -                           | Daily                          | 2 days                          |
| <b>Total investments</b>                     | <b>\$ 965,646,047</b> | <b>\$ 106,872,085</b>       |                                |                                 |
| <u>Remainder interest trusts</u>             |                       |                             |                                |                                 |
| Fixed income                                 |                       |                             |                                |                                 |
| Domestic institutional pooled fund           | \$ 2,589,313          | \$ -                        | Daily                          | N/A                             |
| Equities                                     |                       |                             |                                |                                 |
| U.S. institutional pooled fund               | 3,117,670             | -                           | Daily/1-6 Months               | N/A                             |
| Global ex U.S. institutional pooled fund     | 2,229,165             | -                           | 1-6 Months                     | N/A                             |
| Real Assets                                  |                       |                             |                                |                                 |
| Global REIT mutual fund                      | 208,131               | -                           | Daily                          | N/A                             |
| Commodity index fund                         | 11,236                | -                           | Daily                          | N/A                             |
| <b>Total other financial instruments</b>     | <b>\$ 8,155,515</b>   | <b>\$ -</b>                 |                                |                                 |



## FLORIDA STATE UNIVERSITY FOUNDATION, INC.

### Notes to Financial Statements

*June 30, 2025 and 2024*

#### 2. DEPOSITS AND INVESTMENTS *(continued)*

(a) Fixed income - This category includes investments in private credit funds. The investment objective of these funds is to generate income, preserve capital, and bolster returns over the long term. These funds primarily provide privately negotiated senior secured loans to middle market companies in North America. As of June 30, 2025, it is probable that these investments will be sold at amounts different from the fair value of the company's ownership interest and partner's capital. Therefore, the fair values of the investments in this category have been estimated using recent observable transactions and recent statements of changes for the funds.

(b) Equities - This category includes investments in U.S., global ex. U.S., global, and emerging markets institutional pooled funds. Passive U.S. equity funds aim to replicate benchmark performance, while active funds seek long-term capital appreciation exceeding benchmark returns. Global ex. U.S. funds invest in international equity and equity-related securities with objectives of capital preservation and appreciation. Emerging markets funds target long-term growth through investments in equity securities of emerging and frontier markets. All investments in this category are redeemable within one year as of June 30, 2025.

(c) Growth - This category includes investments in offshore funds that invest both long and short in domestic and international equity securities. These funds may also invest opportunistically in other domestic and international securities and instruments where the managers deem appropriate. The managers of the funds seek to provide either superior risk-adjusted return or capital appreciation within specific investment styles which can include U.S. Growth, U.S. Value, Global and Sector-specific. Fair value is determined using the NAV per share. As of June 30, 2025, approximately 2.0% of investments in this category are subject to redemption restrictions exceeding one year, while 98.0% are redeemable within one year.

(d) Diversifiers - This category includes offshore funds designed to produce returns with low correlation to broader markets. Strategies include diversified arbitrage, event driven/open mandate, credit/distressed, and global macro. Private credit strategies primarily invest in U.S. denominated senior secured loans. Fair values are estimated using NAV per share. As of June 30, 2025, 83.2% of investments are redeemable within one year, 7.5% are redeemable in one year or later due to restrictions in place at the time of acquisition, and 9.3% are expected to be sold at amounts different from the fair value of the company's ownership interest and partners' capital. For the latter, fair values were estimated using recent observable transactions and recent statements of changes for the funds.

(e) Limited partnerships - This category includes investments in limited partnership funds focused on private equity, venture capital, distressed assets, private credit, natural resources, and real estate. Distributions are received through the liquidation of underlying assets, typically over a 5 to 15 year horizon. As of June 30, 2025, it is probable that these investments will be sold at amounts different from the fair value of the company's ownership interest and partners' capital. Therefore, the fair values have been estimated using recent observable transactions and recent statements of changes for the funds.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. DEPOSITS AND INVESTMENTS *(continued)*

(f) Real assets - This category includes investments in a U.S. real estate investment trust (REIT) mutual fund. The fund's objective is total return through investments in real estate securities, primarily equity and potentially debt securities of companies whose business is to own, operate, develop and manage real estate. All investments in this category are redeemable within one year as of June 30, 2025.

**Concentration of Credit Risk** – Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation maintains a formal investment policy to address this risk. The policy requires diversification across asset classes, sectors, industries, and investment managers to minimize the potential for significant realized or unrealized losses.

Each investment is expected to serve one or more of the following roles:

- Growth of long-term real value over the investment horizon
- Diversification to mitigate risk inherent in equity-dominant portfolios
- Hedging of macro-economic risks, (e.g., inflation and economic contraction)

The portfolio is diversified by asset class and within asset classes. No single active manager may exceed 10% of the portfolio's market value unless an exception (not to exceed 15%) is approved and documented by the Investment Committee. The portfolio is rebalanced quarterly or as needed when allocations deviate materially from policy targets. Timing delays may occur due to redemption restrictions. As of June 30, 2025 and 2024, one active manager exceeded the 10% threshold and was granted an exception by the Investment Committee. The Foundation was in compliance with its concentration of credit risk policy for both fiscal years. The following table shows investments that represent greater than 5% of the Foundation's long-term investment portfolio as of June 30:

| <b>Investments Held by Individual Managers</b> | <b>2025</b>           | <b>Percent</b> |
|------------------------------------------------|-----------------------|----------------|
| Domestic institutional pooled fixed income     | \$ 96,826,951         | 8.11%          |
| Domestic institutional pooled equity           | 110,774,667           | 9.28%          |
| Domestic institutional pooled equity           | 175,377,708           | 14.69%         |
| <b>Total</b>                                   | <b>\$ 382,979,326</b> |                |

| <b>Investments Held by Individual Managers</b> | <b>2024</b>           | <b>Percent</b> |
|------------------------------------------------|-----------------------|----------------|
| Domestic institutional pooled fixed income     | \$ 87,945,851         | 8.01%          |
| Domestic institutional pooled equity           | 101,670,966           | 9.26%          |
| Domestic institutional pooled equity           | 152,606,633           | 13.90%         |
| <b>Total</b>                                   | <b>\$ 342,223,450</b> |                |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

**Credit Risk** – Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not maintain a formal policy that restricts investment choices based on credit ratings. The credit risk ratings listed below are issued upon standards set by Standard & Poor’s.

The Foundation had the following investments subject to credit risk at June 30:

| Investment<br>Rating | 2025                    |                                                  | 2024                    |                                                  |
|----------------------|-------------------------|--------------------------------------------------|-------------------------|--------------------------------------------------|
|                      | Short-term<br>bond fund | Domestic<br>institutional<br>pooled bond<br>fund | Short-term<br>bond fund | Domestic<br>institutional<br>pooled bond<br>fund |
| AAA                  | \$ 2,054,820            | \$ 3,582,597                                     | \$ 1,777,083            | \$ 1,495,079                                     |
| Aaa                  | -                       | -                                                | -                       | -                                                |
| AA                   | 1,737,719               | 59,742,228                                       | 1,297,320               | 54,614,374                                       |
| A                    | 7,933,889               | 8,714,426                                        | 6,271,193               | 6,771,830                                        |
| BBB                  | 7,597,761               | 19,268,563                                       | 5,972,565               | 19,787,817                                       |
| BB                   | -                       | 2,420,674                                        | -                       | 2,814,267                                        |
| B                    | -                       | 2,130,193                                        | -                       | 1,758,917                                        |
| Net Cash & Other     | -                       | 968,270                                          | -                       | 703,567                                          |
| U.S. government      | 43,905,928              | -                                                | 33,617,710              | -                                                |
| Unknown/Not Rated    | 190,261                 | -                                                | 19,582                  | -                                                |
| <b>Total</b>         | <b>\$ 63,420,378</b>    | <b>\$ 96,826,951</b>                             | <b>\$ 48,955,453</b>    | <b>\$ 87,945,851</b>                             |

**Interest Rate Risk** – Interest rate risk is defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, as the risk that changes in interest rates may adversely affect the fair value of investments. Investments in debt securities with longer maturities are generally more sensitive to interest rate fluctuations and may experience greater variability in fair value. The Foundation does not maintain a formal investment policy that limits investment maturities as a strategy to manage exposure to fair value losses resulting from increases in interest rates.

The Foundation had the following investments subject to interest rate risk as of June 30:

| 2025                                    | Fair Value           | Investment Maturities (in years) |                      |                      |                 |
|-----------------------------------------|----------------------|----------------------------------|----------------------|----------------------|-----------------|
|                                         |                      | Less<br>than 1                   | 1-5                  | 6-10                 | More than<br>10 |
| Short-term bond fund                    | \$ 63,420,378        | \$ -                             | \$ 63,420,378        | \$ -                 | \$ -            |
| Domestic institutional pooled bond fund | 96,826,951           | -                                | -                    | 96,826,951           | -               |
| <b>Total</b>                            | <b>\$160,247,329</b> | <b>\$ -</b>                      | <b>\$ 63,420,378</b> | <b>\$ 96,826,951</b> | <b>\$ -</b>     |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**2. DEPOSITS AND INVESTMENTS (continued)**

| <b>2024</b>                             | <b>Fair Value</b>    | <b>Investment Maturities (in years)</b> |                      |                      |                     |
|-----------------------------------------|----------------------|-----------------------------------------|----------------------|----------------------|---------------------|
|                                         |                      | <b>Less than 1</b>                      | <b>1-5</b>           | <b>6-10</b>          | <b>More than 10</b> |
| Short-term bond fund                    | \$ 48,955,453        | \$ -                                    | \$ 48,955,453        | \$ -                 | \$ -                |
| Domestic institutional pooled bond fund | 87,945,851           | -                                       | -                    | 87,945,851           | -                   |
| <b>Total</b>                            | <b>\$136,901,304</b> | <b>\$ -</b>                             | <b>\$ 48,955,453</b> | <b>\$ 87,945,851</b> | <b>\$ -</b>         |

**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation has the following foreign currency exposure at June 30:

| <b>Currency Type</b>                   | <b>2025</b>           | <b>2024</b>           |
|----------------------------------------|-----------------------|-----------------------|
| AUD (Australian Dollar)                | \$ 5,962,270          | \$ 4,391,970          |
| BRL (Brazilian Real)                   | 5,962,270             | 3,293,980             |
| CAD (Canadian Dollar)                  | 3,577,360             | 2,195,990             |
| CHF (Swiss Franc)                      | 8,347,170             | 7,685,950             |
| CNY (Chinese Yuan)                     | 7,154,720             | 14,273,910            |
| EUR (Euro)                             | 31,003,780            | 29,645,810            |
| GBP (Pound Sterling)                   | 17,886,800            | 20,861,870            |
| HKD (Hong Kong Dollar)                 | 8,347,170             | 6,587,960             |
| INR (Indian Rupee)                     | 14,309,440            | 10,979,930            |
| JPY (Japanese Yen)                     | 27,426,420            | 23,057,850            |
| KRW (South Korean Won)                 | 3,577,360             | 5,489,970             |
| NOK (Norwegian Krone)                  | 1,192,450             | -                     |
| Non-USD PI                             | 1,192,450             | 2,195,990             |
| SGD (Singapore Dollar)                 | 2,384,910             | 1,097,990             |
| TWD (Taiwan New Dollar)                | 8,347,170             | 6,587,960             |
| VND (Vietnamese Dong)                  | 2,384,910             | 3,293,980             |
| Other                                  | 14,309,430            | 16,469,890            |
| <b>Total foreign currency exposure</b> | <b>\$ 163,366,080</b> | <b>\$ 158,111,000</b> |

**3. ENDOWMENT**

As of June 30, 2025, the Foundation's endowment consisted of 2,274 individual funds established for various donor-restricted purposes. In accordance with GAAP, net position associated with endowment funds is classified and reported based on the existence or absence of donor-imposed restrictions.

## FLORIDA STATE UNIVERSITY FOUNDATION, INC.

### Notes to Financial Statements

*June 30, 2025 and 2024*

#### 3. ENDOWMENT *(continued)*

The Foundation administers its endowment funds in accordance with the Florida Uniform Prudent Management of Institutional Funds Act (Florida UPMIFA), codified in Florida Statute 617.2104. The Foundation's Board of Trustees interprets Florida UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date for donor-restricted endowment funds, unless otherwise explicitly stated by the donor. As a result of this interpretation, the Foundation classifies the following as restricted nonexpendable net position: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with donor instructions at the time of contribution. Any portion of the donor-restricted endowment fund not classified as restricted nonexpendable is reported as restricted expendable net position until appropriated for expenditure in accordance with the standard of prudence prescribed by Florida UPMIFA.

In determining whether to appropriate or accumulate donor-restricted endowment funds, the Foundation considers the following factors, as permitted under Florida UPMIFA:

- Duration and preservation of the endowment fund
- Purposes of the Foundation and the endowment fund
- General economic conditions
- Effect of inflation and deflation
- Expected total return from income and appreciation
- Other resources of the Foundation
- Investment policies of the Foundation

The Foundation's investment and spending policies are designed to provide a stable funding stream for programs supported by the endowment, while maintaining the purchasing power of the endowment assets over time. Endowment assets include those donor-restricted funds that must be held in perpetuity or for a specific period.

The Foundation employs a total return investment strategy, seeking returns through both capital appreciation and current income (interest and dividends). The investment portfolio is diversified, with an emphasis on equity-based investments, and is managed to achieve a real rate of return (net of inflation, spending, and fees) over the long term.

The Foundation defines its minimum desired real rate of return as the Consumer Price Index – Urban (CPI-U) plus 550 basis points (5.5%) annually, sufficient to support a 4% annual spending policy and 1.5% administrative fee. Actual returns may vary from year to year.

To determine annual distributions, the Foundation uses a smoothing formula based on a rolling three-year average of quarterly market values. The average of the last 12 quarters is multiplied by the 4% spending rate (1% per quarter) to calculate the total distributable amount, which is then allocated to participating funds based on their proportional share of the endowment pool.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 3. ENDOWMENT *(continued)*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below historical dollar value (the aggregate value of all contributions to an endowment fund at the time they were made). These deficiencies may result from market fluctuations, continued appropriations for certain programs that were deemed prudent by the Board of Trustees, and administrative fees. As of June 30, 2025 and 2024, the total amount of such deficiencies was \$0 and \$2,251, respectively, and is reported as part of unrestricted net position in the accompanying Statements of Net Position.

Recoveries of prior year deficiencies totaled \$2,251 and \$385,062 for the years ended June 30, 2025 and 2024, respectively. Future gains will first be used to restore any deficiencies in unrestricted net position before increasing restricted expendable net position. Under current Florida law, there is no legal obligation to restore these deficiencies

### 4. DUE FROM RELATED ORGANIZATIONS

Amounts owed from the University and related entities consists of the following at June 30:

|                                               | <u>2025</u>                | <u>2024</u>                 |
|-----------------------------------------------|----------------------------|-----------------------------|
| Seminole Boosters                             | \$ 3,418,429               | \$ 3,418,453                |
| Florida State University                      | 2,985,257                  | 7,628,461                   |
| Alumni Association                            | 83,088                     | 56,932                      |
| Real Estate Foundation                        | -                          | 2,268                       |
| Florida Medical Practice Plan                 | -                          | 3,353                       |
| <b>Amounts due from related organizations</b> | <u><u>\$ 6,486,774</u></u> | <u><u>\$ 11,109,467</u></u> |

See Note 18 for more details concerning related party transactions.

### 5. PLEDGES RECEIVABLE

Pledges receivable consists of the following at June 30:

|                                          | <u>2025</u>                 | <u>2024</u>                 |
|------------------------------------------|-----------------------------|-----------------------------|
| In one year or less                      | \$ 1,117,191                | \$ 1,080,606                |
| Between one and five years               | 4,916,353                   | 4,586,828                   |
| Greater than five years                  | 42,051,348                  | 46,007,535                  |
| Unconditional promises to give           | 48,084,892                  | 51,674,969                  |
| Less allowance for uncollectible pledges | (563,706)                   | (583,992)                   |
| Less unamortized discount                | (4,210,286)                 | (4,870,786)                 |
| <b>Total pledges receivable - net</b>    | <u><u>\$ 43,310,900</u></u> | <u><u>\$ 46,220,191</u></u> |

## FLORIDA STATE UNIVERSITY FOUNDATION, INC.

### Notes to Financial Statements

June 30, 2025 and 2024

#### 5. PLEDGES RECEIVABLE *(continued)*

Approximately 87.2% and 88.8% of pledges receivable were attributable to two donors at June 30, 2025 and 2024, respectively. The Foundation is the beneficiary of numerous conditional promises to give and bequests. A conditional promise requires a future event to take place before the promise becomes binding on the donor and is not recognized until it becomes unconditional. Typically, the Foundation has no control over the required event. No receivable was recorded for these bequests and pledges, nor was the future support recognized.

The Foundation had approximately \$38.7 million of outstanding state matching funds pending appropriation at June 30, 2025 and 2024. This represents gifts received by the Foundation that have been approved for state matching funds; however, such matching funds have not yet been appropriated by the Florida Legislature. No receivable was recorded for the anticipated state funds, nor was the future support recognized.

#### 6. REAL ESTATE HELD FOR SALE

The Foundation periodically receives gifts of real estate, which are subsequently marketed and sold. Sale proceeds are used to support the University in accordance with donor restrictions. As of June 30, 2025, the Foundation held three properties for sale, with a combined carrying value of \$1,620,000. The following table summarizes changes in real estate held for sale at June 30:

|                                              | <u>2025</u>         | <u>2024</u> |
|----------------------------------------------|---------------------|-------------|
| Real estate held for sale, beginning of year | \$ -                | \$ -        |
| Donations                                    | 1,406,000           |             |
| Transfers                                    | 304,000             | -           |
| Adjustments                                  | <u>(90,000)</u>     | <u>-</u>    |
| Real estate held for sale, end of year       | <u>\$ 1,620,000</u> | <u>\$ -</u> |

#### 7. REMAINDER INTEREST TRUSTS

The Foundation is the trustee and beneficiary of numerous irrevocable charitable trust and gift annuity agreements. These assets have been donated to the Foundation for investment, in return for payments to the donor(s) or their designees. Upon the satisfaction of the terms of each trust or annuity, the Foundation receives the balance of the invested assets. If the remaining assets are to be endowed, per the donor's direction, the value at maturity must meet the Foundation's endowment minimum of \$50,000 as established on July 1, 2024 or grandfathered in at prior endowment minimum levels. If the value does not meet the required minimum, the Florida UPMIFA can be applied to repurpose the assets.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 7. REMAINDER INTEREST TRUSTS *(continued)*

These assets are recorded at fair value. For gift annuities, a corresponding annuity obligation is recorded for the estimated future contractual payments based upon the life expectancy of the beneficiaries, discounted to present value. The related annuity liability is valued, using IRS tables, at the net present value each year based on the discount rate at the time the annuity was established. See Note 1 for the discount rate used.

The Foundation charitable gift annuities are invested into one pooled account. Gift annuities differ from other charitable giving options in that the annuity is a general obligation of the Foundation. Accordingly, if the assets of the gift are exhausted as a result of required payments to beneficiaries, the pooled assets will be utilized to fund future payments and is ultimately the responsibility of the Foundation. As of June 30, 2025 and 2024, the Foundation held assets in excess of the minimum gift annuity reserves required by state law.

In accordance with GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, changes associated with split-interest agreements are reported as deferred inflows of resources until such time as the assets are transferred to the remainder-interest beneficiaries, and the liability and any remaining deferred inflows of resources are eliminated.

The following are the invested assets and annuity obligations at June 30:

|                                  | <u>2025</u>                | <u>2024</u>                |
|----------------------------------|----------------------------|----------------------------|
| Fair value of securities held    | \$ 8,717,357               | \$ 8,155,515               |
| Annuity obligations              | <u>(3,918,125)</u>         | <u>(3,953,164)</u>         |
| <b>Remainder interest trusts</b> | <u><u>\$ 4,799,232</u></u> | <u><u>\$ 4,202,351</u></u> |

### 8. FUNDS HELD IN TRUST BY OTHERS

The Foundation is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Foundation. The Foundation has legally enforceable rights or claims to its portion of such assets or income therefrom. Upon the satisfaction of the terms of each trust, the Foundation receives the remainder interest. If the remaining assets are to be endowed, per the donor's direction, the value at maturity must meet the Foundation's endowment minimum of \$50,000 as established on July 1, 2024 or grandfathered in at prior endowment minimum levels. If the value does not meet the required minimum, the Florida UPMIFA can be applied to repurpose the assets. Funds held in trust by others are valued, using IRS tables, at their net present value each year. See Note 1 for the discount rate used.



**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**8. FUNDS HELD IN TRUST BY OTHERS (continued)**

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides guidance concerning trusts held by a third party and the appropriate treatment assuming specific criteria are met. Similar to the treatment for split-interest agreements for remainder interest trusts, changes associated with trusts held by others are reported as deferred inflows of resources until such time as the agreement terminates and the beneficial interest asset and any remaining deferred inflows of resources are eliminated.

Funds held in trust by others consists of the following at June 30:

|                                           | <u>2025</u>                | <u>2024</u>                |
|-------------------------------------------|----------------------------|----------------------------|
| Statement value of trusts                 | \$ 13,750,962              | \$ 13,006,999              |
| Discount to present value                 | <u>(4,368,252)</u>         | <u>(4,398,303)</u>         |
| <b>Funds held in trust by others, net</b> | <b><u>\$ 9,382,710</u></b> | <b><u>\$ 8,608,696</u></b> |

**9. CAPITAL ASSETS**

A summary of changes in capital assets is shown below for the years ended June 30:

| <u>June 30, 2025</u>                         | <u>Beginning<br/>Balance</u> | <u>Increases</u>         | <u>Decreases</u>          | <u>Ending<br/>Balance</u>  |
|----------------------------------------------|------------------------------|--------------------------|---------------------------|----------------------------|
| <b>Nondepreciable capital assets:</b>        |                              |                          |                           |                            |
| Land                                         | \$ 1,619,876                 | \$ -                     | \$ -                      | \$ 1,619,876               |
| Construction Work in progress                | <u>15,401</u>                | <u>105,000</u>           | <u>(15,401)</u>           | <u>105,000</u>             |
| <b>Total nondepreciable capital assets</b>   | <b><u>1,635,277</u></b>      | <b><u>105,000</u></b>    | <b><u>(15,401)</u></b>    | <b><u>1,724,876</u></b>    |
| <b>Depreciable capital assets:</b>           |                              |                          |                           |                            |
| Buildings and improvements                   | 4,605,272                    | 210,211                  | (29,583)                  | 4,785,900                  |
| Furniture and equipment                      | <u>2,399,345</u>             | <u>20,547</u>            | <u>(22,663)</u>           | <u>2,397,229</u>           |
| <b>Total depreciable capital assets</b>      | <b><u>7,004,617</u></b>      | <b><u>230,758</u></b>    | <b><u>(52,246)</u></b>    | <b><u>7,183,129</u></b>    |
| <b>Less, accumulated depreciation</b>        |                              |                          |                           |                            |
| Buildings and improvements                   | (1,110,075)                  | (172,306)                | 854                       | (1,281,527)                |
| Furniture and equipment                      | <u>(2,346,191)</u>           | <u>(40,435)</u>          | <u>22,663</u>             | <u>(2,363,963)</u>         |
| <b>Total accumulated depreciation</b>        | <b><u>(3,456,266)</u></b>    | <b><u>(212,741)</u></b>  | <b><u>23,517</u></b>      | <b><u>(3,645,490)</u></b>  |
| <b>Total depreciable capital assets, net</b> | <b><u>3,548,351</u></b>      | <b><u>18,017</u></b>     | <b><u>(28,729)</u></b>    | <b><u>3,537,639</u></b>    |
| <b>Total capital assets, net</b>             | <b><u>\$ 5,183,628</u></b>   | <b><u>\$ 123,017</u></b> | <b><u>\$ (44,130)</u></b> | <b><u>\$ 5,262,515</u></b> |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**

**Notes to Financial Statements**

*June 30, 2025 and 2024*

**9. CAPITAL ASSETS (continued)**

| <u>June 30, 2024</u>                         | <u>Beginning<br/>Balance</u> | <u>Increases</u>          | <u>Decreases</u>          | <u>Ending<br/>Balance</u>  |
|----------------------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| <b>Nondepreciable capital assets:</b>        |                              |                           |                           |                            |
| Land                                         | \$ 1,619,876                 | \$ -                      | \$ -                      | \$ 1,619,876               |
| Construction Work in progress                | 75,405                       | 13,445                    | (73,449)                  | 15,401                     |
| <b>Total nondepreciable capital assets</b>   | <b><u>1,695,281</u></b>      | <b><u>13,445</u></b>      | <b><u>(73,449)</u></b>    | <b><u>1,635,277</u></b>    |
| <b>Depreciable capital assets:</b>           |                              |                           |                           |                            |
| Buildings and improvements                   | 4,485,005                    | 120,267                   | -                         | 4,605,272                  |
| Furniture and equipment                      | 2,437,584                    | -                         | (38,239)                  | 2,399,345                  |
| <b>Total depreciable capital assets</b>      | <b><u>6,922,589</u></b>      | <b><u>120,267</u></b>     | <b><u>(38,239)</u></b>    | <b><u>7,004,617</u></b>    |
| <b>Less, accumulated depreciation</b>        |                              |                           |                           |                            |
| Buildings and improvements                   | (946,261)                    | (163,814)                 | -                         | (1,110,075)                |
| Furniture and equipment                      | (2,343,428)                  | (41,002)                  | 38,239                    | (2,346,191)                |
| <b>Total accumulated depreciation</b>        | <b><u>(3,289,689)</u></b>    | <b><u>(204,816)</u></b>   | <b><u>38,239</u></b>      | <b><u>(3,456,266)</u></b>  |
| <b>Total depreciable capital assets, net</b> | <b><u>3,632,900</u></b>      | <b><u>(84,549)</u></b>    | <b><u>-</u></b>           | <b><u>3,548,351</u></b>    |
| <b>Total capital assets, net</b>             | <b><u>\$ 5,328,181</u></b>   | <b><u>\$ (71,104)</u></b> | <b><u>\$ (73,449)</u></b> | <b><u>\$ 5,183,628</u></b> |

Depreciation expense totaling \$212,741 and \$204,816 is included in administrative expenses on the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and 2024, respectively.

**10. SBITA ASSETS AND LIABILITIES**

A summary of changes in SBITA assets is shown below for the years ended June 30:

| <u>June 30, 2025</u>                  | <u>Beginning<br/>Balance</u> | <u>Increases</u>           | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---------------------------------------|------------------------------|----------------------------|--------------------|---------------------------|
| <b>SBITA assets</b>                   | \$ 1,009,175                 | \$ 1,170,580               | \$ (796,264)       | \$ 1,383,491              |
| <b>Less, accumulated amortization</b> | (610,832)                    | (605,735)                  | 796,264            | (420,303)                 |
| <b>Total SBITA assets, net</b>        | <b><u>\$ 398,343</u></b>     | <b><u>\$ 564,845</u></b>   | <b><u>\$ -</u></b> | <b><u>\$ 963,188</u></b>  |
| <u>June 30, 2024</u>                  | <u>Beginning<br/>Balance</u> | <u>Increases</u>           | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
| <b>SBITA assets</b>                   | \$ 892,543                   | \$ 116,632                 | \$ -               | \$ 1,009,175              |
| <b>Less, accumulated amortization</b> | (259,844)                    | (350,988)                  | -                  | (610,832)                 |
| <b>Total SBITA assets, net</b>        | <b><u>\$ 632,699</u></b>     | <b><u>\$ (234,356)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 398,343</u></b>  |

The Foundation's SBITA assets consist of amortization expense totaling \$605,735 and \$350,988 and is included in operating expenses on the accompanying Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2025 and 2024, respectively.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**10. SBITA ASSETS AND LIABILITIES *(continued)***

A summary of changes in SBITA liabilities is shown below for the years ended June 30:

| <u>June 30, 2025</u> | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|
| SBITA liabilities    | \$ 293,801                   | \$ 1,170,580     | \$ (799,629)     | \$ 664,752                |

  

| <u>June 30, 2024</u> | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|
| SBITA liabilities    | \$ 580,924                   | \$ 117,922       | \$ (405,045)     | \$ 293,801                |

A summary of the principal and interest amounts for the remaining SBITA arrangements is as follows as of June 30:

|      | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|------------------|-----------------|--------------|
| 2026 | \$ 664,752       | \$ 24,175       | \$ 688,927   |

**11. CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES**

The cash surrender value of life insurance policies is net of any outstanding policy loans and totaled \$2,209,078 and \$2,338,996 as of June 30, 2025 and 2024, respectively. The net death benefit value of the underlying life insurance in force was approximately \$8.0 million and \$8.1 million at June 30, 2025 and 2024, respectively. Various individuals have donated policies with the Foundation designated as beneficiary and owner; however, only the cash surrender value is reflected in the financial statements since the insured individuals can stop paying policy premiums at their discretion.

**12. OTHER ASSETS**

Other assets consist of the following at June 30:

|                           | <u>2025</u>              | <u>2024</u>              |
|---------------------------|--------------------------|--------------------------|
| Prepaid expenses          | \$ 269,565               | \$ 231,796               |
| Accounts receivable, net  | 39,893                   | 50,558                   |
| <b>Total other assets</b> | <u><u>\$ 309,458</u></u> | <u><u>\$ 282,354</u></u> |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**13. DUE TO RELATED ORGANIZATIONS**

Amounts owed to the University and related entities consists of the following at June 30:

|                                             | <u><b>2025</b></u>         | <u><b>2024</b></u>         |
|---------------------------------------------|----------------------------|----------------------------|
| Florida State University                    | \$ 1,473,075               | \$ 2,765,942               |
| Seminole Boosters                           | 52,658                     | 61,789                     |
| Alumni Association                          | 35                         | 2,115                      |
| Real Estate Foundation                      | -                          | 4,110                      |
| <b>Amounts due to related organizations</b> | <u><b>\$ 1,525,768</b></u> | <u><b>\$ 2,833,956</b></u> |

See Note 18 for more details concerning related party transactions.

**14. PROMISSORY NOTE PAYABLE**

On January 15, 2016, the Foundation financed property with a fully amortizing nonrecourse promissory note for \$4,042,334. Principal and interest payments of \$27,381 are due monthly through the due date of July 15, 2031 at a fixed rate of 2.61%. The outstanding balance was \$1,844,313 and \$2,120,088 as of June 30, 2025 and 2024, respectively. A summary of changes in the promissory note payable is shown below for the years ended June 30:

|                             | <u><b>2025</b></u>         | <u><b>2024</b></u>         |
|-----------------------------|----------------------------|----------------------------|
| Beginning balance           | \$ 2,120,088               | \$ 2,388,520               |
| Less principal payments     | <u>(275,775)</u>           | <u>(268,432)</u>           |
| <b>Ending balance</b>       | <u><b>\$ 1,844,313</b></u> | <u><b>\$ 2,120,088</b></u> |
| Amounts due within one year | <u><u>\$ 283,221</u></u>   | <u><u>\$ 275,806</u></u>   |

The following is a schedule by years of future minimum principal and interest payments required under the promissory note payable:

| <u><b>Year ending June 30,</b></u> | <u><b>Principal</b></u>    | <u><b>Interest</b></u>   | <u><b>Total</b></u>        |
|------------------------------------|----------------------------|--------------------------|----------------------------|
| 2026                               | \$ 283,221                 | \$ 45,350                | \$ 328,571                 |
| 2027                               | 290,764                    | 37,807                   | 328,571                    |
| 2028                               | 298,477                    | 30,094                   | 328,571                    |
| 2029                               | 306,548                    | 22,023                   | 328,571                    |
| 2030                               | 314,759                    | 13,812                   | 328,571                    |
| 2031 - 2032                        | <u>350,544</u>             | <u>5,415</u>             | <u>355,959</u>             |
|                                    | <u><b>\$ 1,844,313</b></u> | <u><b>\$ 154,501</b></u> | <u><b>\$ 1,998,814</b></u> |

Principal and interest payments of \$328,571 and \$328,565 were made during the years ended June 30, 2025 and 2024, respectively.

# FLORIDA STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### 15. DESIGNATED UNRESTRICTED NET POSITION

The Foundation's Board of Trustees has the authority to designate portions of unrestricted net position for specific purposes. These designations are discretionary and may be modified or rescinded at any time. As such, they do not represent donor-imposed or contractual restrictions and are reported as components of unrestricted net position in the Statements of Net Position.

In fiscal year 2019, the Board of Trustees approved the establishment of a maintenance reserve to provide protection against unforeseen facilities and infrastructure issues or other emergencies that may arise throughout the year creating unanticipated shortfalls. This reserve is not intended to be a sustained resource for recurring maintenance items or capital projects, nor is it intended to replace a permanent loss of funds or eliminate an ongoing budget deficit.

In fiscal year ended June 30, 2022, the Board of Trustees approved the establishment of a presidential reserve in the amount of \$3,000,000. An additional \$1,500,000 was designated in fiscal year ended June 30, 2023. These funds are intended to support initiatives led by the University President and to promote future growth of the Foundation.

In fiscal year ended June 30, 2024, the Board of Trustees approved the establishment of a foundation reserve totaling \$1,500,000. An additional \$1,500,000 was designated in fiscal year ended June 30, 2025. This reserve is designated to support expenses associated with the upcoming comprehensive fundraising campaign for the University.

The following schedules summarize activity for the maintenance reserve, presidential reserve, and foundation reserve activity at June 30:

| <b>Maintenance Reserve</b>                 | <b><u>2025</u></b>         | <b><u>2024</u></b>         |
|--------------------------------------------|----------------------------|----------------------------|
| Beginning balance                          | \$ 212,034                 | \$ 326,364                 |
| Expenditures                               | (186,756)                  | (114,330)                  |
| <b>Maintenance Reserve ending balance</b>  | <b><u>\$ 25,278</u></b>    | <b><u>\$ 212,034</u></b>   |
| <br><b>Presidential Reserve</b>            | <br><b><u>2025</u></b>     | <br><b><u>2024</u></b>     |
| Beginning balance                          | \$ 4,400,000               | \$ 4,400,000               |
| <b>Presidential Reserve ending balance</b> | <b><u>\$ 4,400,000</u></b> | <b><u>\$ 4,400,000</u></b> |
| <br><b>Foundation Reserve</b>              | <br><b><u>2025</u></b>     | <br><b><u>2024</u></b>     |
| Beginning balance                          | \$ 545,745                 | \$ -                       |
| Additions to reserve                       | 1,500,000                  | 1,500,000                  |
| Expenditures                               | (1,028,542)                | (954,255)                  |
| <b>Foundation Reserve ending balance</b>   | <b><u>\$ 1,017,203</u></b> | <b><u>\$ 545,745</u></b>   |

## **FLORIDA STATE UNIVERSITY FOUNDATION, INC.**

### **Notes to Financial Statements**

*June 30, 2025 and 2024*

#### **16. RETIREMENT PLANS**

The Foundation previously established a 403(b) tax-deferred retirement plan to purchase annuity contracts for its employees, providing funds for retirement. Participants became vested upon employment. All benefits under the plan were provided through the purchase of individual or group fixed or variable annuity contracts. Under the plan, the Foundation contributed 11% of each employee's base salary, plus up to an additional 4% of annual salary to match voluntary employee contributions. Effective December 14, 2018, all Foundation employees transitioned to University employees, and no additional contributions have been made to the plan since that date. In accordance with plan provisions, vested employees at the time of termination will retain a non-forfeitable interest in their annuity contracts. The Foundation has approved termination of the plan, which will be completed in the fiscal year ending June 30, 2026.

Foundation personnel are employees of the University and participate in the University's retirement and other postemployment benefit programs, including the Florida Retirement System (FRS) Pension Plan, the FRS Investment Plan, the Optional Retirement Program (ORP), and the State Employees' Group Health Insurance Plan for other postemployment benefits (OPEB).

The Foundation is not a payor fund for the purpose of liquidating the pension and OPEB liabilities and therefore does not report any such liabilities or related deferred amounts in its financial statements. Foundation employees are included in the University's actuarial valuations. Detailed information on the University's retirement and OPEB programs, including plan descriptions, funding policies, and the University's proportionate share of related liabilities, is available in the University's Annual Report, which may be obtained from the University.

#### **17. RISK MANAGEMENT PROGRAMS**

The Foundation is subject to various risks of loss, including tort claims; theft, damage, or destruction of assets; errors and omissions; employee injuries; and natural disasters. Coverage for directors and officers, property, and general liability is obtained through commercial insurance carriers, with management regularly evaluating coverage limits to ensure adequacy. Cyber liability coverage is provided through the University. During the past three fiscal years, no settlements have exceeded the insurance coverage in place for the Foundation.

#### **18. RELATED PARTY TRANSACTIONS**

The Foundation serves as a DSO of the University, advancing the University's academic vision and priorities through coordinated fundraising efforts and effective funds management. As a DSO, the Foundation maintains integral relationships with the University and its affiliated entities. These relationships include the provision and receipt of support, shared resources, and reimbursement of expenditures. Details of these relationships are provided below.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**18. RELATED PARTY TRANSACTIONS *(continued)***

**Florida State University** – Foundation personnel are employed by the University. The University tracks, administers, and reports all payroll and fringe benefit costs associated with these employees. The University directly funded salaries for employees performing fundraising functions benefiting both the University and the Foundation in the amounts of \$11,468,425 and \$6,929,160 for the years ended June 30, 2025 and 2024, respectively. Additionally, the University funded salaries for employees in the Foundation's Accounting Office totaling \$1,585,174 and \$1,585,099 for the years ended June 30, 2025 and 2024, respectively. These amounts are included in the accompanying Statements of Revenues, Expenses and Changes in Net Position. Fundraising personnel report to the Vice President of University Advancement, while accounting personnel report to the Associate Vice President within the Division of Finance and Administration. Pursuant to an operating agreement executed in May 2004, the University provides operational oversight of the Foundation's Accounting Office, with defined roles and responsibilities outlined in the agreement.

As of June 30, 2025 and 2024, the University provided consulting support of \$1,453,738 and \$0 respectively, related to the implementation of a new donor engagement platform system.

The Foundation provides financial support to the University President in recognition of their role in donor cultivation and fundraising activities. Such support totaled \$930,000 and \$860,000 for the years ended June 30, 2025 and 2024, respectively.

The Foundation maintains accounts with the University to facilitate salary payments and reimbursements for University-incurred expenses. The balances of these accounts reflect pending transfers. As of June 30, 2025 and 2024, the Foundation owed the University \$1,473,075 and \$2,765,942, respectively.

In February of 2019, the Foundation's Board of Trustees approved a loan agreement with the University for an amount not to exceed \$20,000,000, at an interest rate of 4%, to finance a portion of the costs associated with construction of a new student union facility. The agreement includes a provision for an interest rate adjustment five years from the execution date, with a minimum reset rate equal to the greater of 4% or 100 basis points above the 10-year U.S. Treasury rate. On December 1, 2019, the University executed a promissory note and drew \$19,223,376 against the loan. Additional draws totaling \$776,624 were made to fund the first two interest payments, resulting in a total principal balance of \$20,000,000. Draws included \$384,467 on June 1, 2020 and \$392,157 on December 1, 2020, which included \$65,359 in accrued interest.

Principal and interest payments on the loan are due semi-annually beginning June 1, 2021 through the maturity date of December 1, 2025. As of June 30, 2025 and 2024, the Foundation had received principal payments of \$4,395,000 and \$7,337,312, respectively, and interest payments of \$188,794 and \$333,072, respectively. Amounts receivable from the University related to this loan totaled \$1,549,932 and \$5,988,461 as of June 30, 2025 and 2024, respectively.

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**18. RELATED PARTY TRANSACTIONS (continued)**

A summary of changes in the note receivable for the years ended June 30 is presented below:

|                                       | <u><b>2025</b></u>         | <u><b>2024</b></u>         |
|---------------------------------------|----------------------------|----------------------------|
| Beginning principal balance           | \$ 5,929,169               | \$ 13,266,481              |
| Decrease                              | <u>(4,395,000)</u>         | <u>(7,337,312)</u>         |
| <b>Ending principal balance</b>       | <b>1,534,169</b>           | <b>5,929,169</b>           |
| Amounts due within one year           | 1,534,169                  | 847,025                    |
| <br>                                  |                            |                            |
| Beginning interest balance            | 59,292                     | 44,223                     |
| Accrued interest                      | 145,265                    | 348,141                    |
| Interest received                     | <u>(188,794)</u>           | <u>(333,072)</u>           |
| <b>Interest balance</b>               | <b>15,763</b>              | <b>59,292</b>              |
| <b>Principal and interest balance</b> | <b><u>\$ 1,549,932</u></b> | <b><u>\$ 5,988,461</u></b> |

In February of 2012, the University, the John and Mable Ringling Museum of Art (Ringling Museum), and the Foundation entered into a Memorandum of Understanding (MOU) to facilitate a bridge loan from the Foundation to the Ringling Museum in the amount of \$3,075,000. The loan was used as a funding match for the construction of the Asian Art Center at the Ringling Museum. This loan was provided in lieu of State of Florida matching funds, which were suspended at the time, and does not constitute a waiver of any future entitlement to such matching funds should they become available. In August of 2017, the MOU was amended to require repayment by the Ringling Museum. The initial payment was due within 30 days of final approval of the amended agreement, with subsequent annual payments of \$205,000 due by September 1 of each year. As of June 30, 2025 and 2024, the outstanding balance owed to the Foundation was \$1,435,000 and \$1,640,000, respectively.

The Foundation holds one property for the benefit of the FSU College of Music. This property provides temporary lodging for faculty and guests, including visiting professionals, eminent scholars, and artists supporting the College's academic mission. The Foundation assesses an annual management fee for this property. As of June 30, 2025 and 2024, the College of Music owed the Foundation \$325 and \$0, respectively.

**Florida State University Research Foundation, Inc.** – The Research Foundation is a direct-support organization of the University, established pursuant to Section 1004.28, Florida Statutes and was formed as a not-for-profit organization in September 1993, in the state of Florida. The purpose of the Research Foundation is to promote and assist the research and training activities of the University through income from contracts, grants, and other sources, including income derived from the development and commercialization of the University's work products.



**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Notes to Financial Statements**  
*June 30, 2025 and 2024*

**18. RELATED PARTY TRANSACTIONS *(continued)***

During fiscal year 2023, the Research Foundation transferred its endowment assets to the Foundation's long-term investment portfolio. In fiscal year 2025, an additional transfer of \$11,012,770 was made. As of June 30, 2025 and 2024, the Foundation held investments on behalf of the Research Foundation totaling \$149,417,525 and \$132,127,286, respectively. These amounts are reflected in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position.

In fiscal year 2024, the Research Foundation transferred stock to the Foundation valued at \$1,082,362 at the time of transfer. During fiscal years 2025 and 2024, proceeds of \$26,325 and \$108,641 were returned to the Research Foundation from the sale of shares originally valued at \$962,100 and \$120,262, respectively. These transactions represent full realization of the transferred stock value, with total proceeds of \$134,966 returned to the Research Foundation.

The Foundation's Board of Trustees approved support to the Research Foundation totaling \$175,000 for each of the fiscal years ended June 30, 2025 and 2024.

During fiscal year 2025, the Foundation redeemed investments held on behalf of the Research Foundation and transferred \$1,687,303 to the Research Foundation for additional funding of the Interdisciplinary Research & Commercialization Building construction project.

**Seminole Boosters, Inc. (Boosters)** – The Boosters serve as a direct support organization that promotes the education, health, and physical welfare of University students by securing private financial support for the University's Intercollegiate Athletic Program.

In fiscal year 2023, the Boosters transferred its endowment and investment managers to the Foundation's long-term investment portfolio. Additional investments valued at \$0 and \$4,136,368 were transferred during fiscal years 2025 and 2024, respectively. As of June 30, 2025 and 2024, the Boosters' endowment held by the Foundation totaled \$31,194,984 and \$28,368,875, respectively.

In May 2005, the Boosters entered into an agreement with a donor who committed to a \$25 million gift, fulfilled through donations of real estate received in fiscal year 2019. As the properties are sold, the Boosters are expected to transfer cash to the Foundation to satisfy the commitment. The Foundation manages service contracts for accounting and fundraising software shared among DSOs. The Boosters reimburse the Foundation for costs associated with their use of the software. Additionally, the Foundation and Boosters may receive contributions on behalf of one another. Depending on the nature of the donation, assets may be held temporarily or transferred immediately. As of June 30, 2025 and 2024, the Boosters owed the Foundation \$3,418,429 and \$3,418,453, respectively. The Foundation owed the Boosters \$52,658 and \$61,789 as of the same dates.

## FLORIDA STATE UNIVERSITY FOUNDATION, INC.

### Notes to Financial Statements

*June 30, 2025 and 2024*

#### 18. RELATED PARTY TRANSACTIONS *(continued)*

**Florida State University Alumni Association, Inc. (Alumni Association)** – The Alumni Association is a direct-support organization that strengthens the University by fostering connections between alumni and the University to promote charitable giving. These efforts include publication of the VIRES magazine, campus events, and activities hosted by Seminole Club chapters nationwide.

The Foundation provided support to the Alumni Association totaling \$1,245,025 and \$750,500 for the fiscal years ended June 30, 2025 and 2024, respectively.

The Foundation manages service contracts for shared accounting and fundraising software, and the Alumni Association reimburses the Foundation for its share of the costs. The Foundation also manages purchasing cards for the Alumni Association. Contributions may be received by either organization on behalf of the other, with assets held or transferred depending on the nature of the donation. As of June 30, 2025 and 2024, the Foundation owed the Alumni Association \$35 and \$2,115, respectively. The Alumni Association owed the Foundation \$83,088 and \$56,932 as of the same dates.

**Florida State University Real Estate Foundation, Inc. (Real Estate Foundation)** – During fiscal year 2025, the Real Estate Foundation, a direct support organization of the University, was formally dissolved effective June 11, 2025. The Real Estate Foundation previously existed to receive, hold, manage, lease, develop, or sell real estate for the benefit of the University and to provide expertise and strategic support for the University's real estate needs.

In connection with the dissolution, all assets and liabilities of the Real Estate Foundation were transferred in accordance with governing agreements and Board approval. Assets and liabilities associated with real estate services were transferred to the University, while those associated with philanthropic services were transferred to the Foundation.

As of June 30, 2025, no balances or transactions remained outstanding between the Foundation and the Real Estate Foundation. Future activities previously carried out by the Real Estate Foundation will be conducted by the University, the Foundation, or another DSO, as appropriate. The amount owed from the Real Estate Foundation to the Foundation was \$0 and \$2,268 as of June 30, 2025 and 2024, respectively, while the amount owed from the Foundation to the Real Estate Foundation was \$0 and \$4,110 as of June 30, 2025 and 2024, respectively. The Foundation provided support to the Real Estate Foundation for administrative expenses of \$0 and \$100,000 for the years ended June 30, 2025 and 2024, respectively.

#### 19. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the issuance date of this report.

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

*Board of Trustees  
Florida State University Foundation, Inc.  
Tallahassee, Florida*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Florida State University Foundation, Inc. (the "Foundation"), a component unit of the Florida State University, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated November 19, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
November 19, 2025

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Schedule of Functional Expenses**  
*For the Years Ended June 30, 2025 and 2024*

**June 30, 2025**

|                                         | <u><b>University<br/>Programs</b></u> | <u><b>Administrative</b></u> | <u><b>Fundraising</b></u>   | <u><b>Total<br/>Expenses</b></u> |
|-----------------------------------------|---------------------------------------|------------------------------|-----------------------------|----------------------------------|
| Salary and other supplements            | \$ 15,841,365                         | \$ 5,244,142                 | \$ 12,408,858               | \$ 33,494,365                    |
| Scholarships, grants and fellowships    | 12,193,069                            | 2,500                        | -                           | 12,195,569                       |
| Travel and entertainment                | 8,025,704                             | 369,629                      | 1,002,329                   | 9,397,662                        |
| Professional services                   | 4,466,242                             | 2,222,489                    | 1,042,884                   | 7,731,615                        |
| Printing and marketing                  | 2,520,249                             | 73,771                       | 543,955                     | 3,137,975                        |
| Equipment and supplies                  | 4,094,001                             | 178,332                      | 24,812                      | 4,297,145                        |
| Rent and leases                         | 1,381,821                             | 80,406                       | 357,215                     | 1,819,442                        |
| Facilities construction                 | 2,837,624                             | -                            | -                           | 2,837,624                        |
| Utilities and maintenance               | 387,375                               | 303,701                      | 58,170                      | 749,246                          |
| Insurance                               | 61,639                                | 140,037                      | -                           | 201,676                          |
| Taxes and license fees                  | 293,434                               | 48,237                       | 4,145                       | 345,816                          |
| Depreciation & amortization             | 729                                   | 817,747                      | -                           | 818,476                          |
| Other University support                | 1,814,287                             | -                            | -                           | 1,814,287                        |
| Subtotal                                | 53,917,539                            | 9,480,991                    | 15,442,368                  | 78,840,898                       |
| Other Expenses:                         |                                       |                              |                             |                                  |
| Transfers to University and DSO support | -                                     | -                            | -                           | 1,420,025                        |
| <b>Total</b>                            | <u><b>\$ 53,917,539</b></u>           | <u><b>\$ 9,480,991</b></u>   | <u><b>\$ 15,442,368</b></u> | <u><b>\$ 80,260,923</b></u>      |

**FLORIDA STATE UNIVERSITY FOUNDATION, INC.**  
**Schedule of Functional Expenses**  
*For the Years Ended June 30, 2025 and 2024*

**June 30, 2024**

|                                         | <u><b>University<br/>Programs</b></u> | <u><b>Administrative</b></u> | <u><b>Fundraising</b></u>   | <u><b>Total<br/>Expenses</b></u> |
|-----------------------------------------|---------------------------------------|------------------------------|-----------------------------|----------------------------------|
| Salary and other supplements            | \$ 15,310,492                         | \$ 4,996,416                 | \$ 9,139,331                | \$ 29,446,239                    |
| Scholarships, grants and fellowships    | 11,745,864                            | -                            | 2,500                       | 11,748,364                       |
| Travel and entertainment                | 7,085,247                             | 484,113                      | 896,772                     | 8,466,132                        |
| Professional services                   | 4,052,860                             | 630,996                      | 1,486,818                   | 6,170,674                        |
| Printing and marketing                  | 2,279,506                             | 39,875                       | 670,405                     | 2,989,786                        |
| Equipment and supplies                  | 3,048,163                             | 178,595                      | 150,184                     | 3,376,942                        |
| Rent and leases                         | 1,154,064                             | 87,714                       | 161,491                     | 1,403,269                        |
| Facilities construction                 | 26,326,336                            | -                            | -                           | 26,326,336                       |
| Utilities and maintenance               | 441,682                               | 311,388                      | 51,650                      | 804,720                          |
| Insurance                               | 84,211                                | 138,466                      | 3,664                       | 226,341                          |
| Taxes and license fees                  | 380,107                               | 49,879                       | 2,864                       | 432,850                          |
| Depreciation & amortization             | -                                     | 492,738                      | 63,066                      | 555,804                          |
| Other University support                | 1,442,759                             | -                            | -                           | 1,442,759                        |
| Subtotal                                | 73,351,291                            | 7,410,180                    | 12,628,745                  | 93,390,216                       |
| Other Expenses:                         |                                       |                              |                             |                                  |
| Transfers to University and DSO support | -                                     | -                            | -                           | 1,025,500                        |
| <b>Total</b>                            | <u><b>\$ 73,351,291</b></u>           | <u><b>\$ 7,410,180</b></u>   | <u><b>\$ 12,628,745</b></u> | <u><b>\$ 94,415,716</b></u>      |