



**CONSOLIDATED
FINANCIAL
STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
WITH INDEPENDENT AUDITOR'S REPORT**

NKU NORTHERN
KENTUCKY
UNIVERSITY
FOUNDATION



August 2025

Dear Foundation Directors and Friends:

I am pleased to share that Northern Kentucky University Foundation and Northern Kentucky University have made significant progress over the last year. The Foundation's assets have reached an all-time high, placing it in its strongest financial position to date. Meanwhile, the university is moving forward with renewed momentum, having put a \$24m deficit behind it.

Completing my first year as NKUF President, I am excited about our collective future. Under President Cady Short-Thompson's leadership, NKU has just finalized their new three-year strategic plan, Forward Together. This plan "... reflects a unified vision to advance student success, empower NKU employees, and strengthen our region through collaboration and innovation." Now, it is our turn as a Foundation to come together and identify ways that we can support the University's vision.

We are now, more than ever before, in a better financial position to support NKU. At 2025 fiscal year end, total assets were \$176.8 million (up from \$164.2 million) and the total number of donor restricted endowments was 426. Our board members, alumni, donors, and the community are deserving of our thanks.

The following pages share the Foundation's Consolidated Financial Statements for the years ended June 30, 2025 and June 30, 2024. They have been audited by Dean Dorton, whose report appears on pages 4-6.

Thank you for all that you do to support the Foundation and Northern Kentucky University.

Regards,

A handwritten signature in black ink that reads 'Karen Finan'. The signature is written in a cursive, flowing style.

Karen Finan
President
Northern Kentucky University Foundation, Inc.



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Independent Auditor's Report

Board of Directors
Northern Kentucky University Foundation, Inc.
Highland Heights, Kentucky

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

Board of Directors
Northern Kentucky University Foundation, Inc.
Independent Auditor's Report, continued

Other Information

Management is responsible for the other information. The other information comprises the letter from the president, the executive committee listing and the board of directors listing but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dean Dotson Allen Ford, PLLC

Lexington, Kentucky
September 11, 2025

Northern Kentucky University Foundation, Inc.
Consolidated Statements of Financial Position
As of June 30, 2025 and 2024
(in thousands)

| | <u>2025</u> | <u>2024</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 8,575 | \$ 8,076 |
| Loans and accounts receivable, net | 1,196 | 574 |
| Interest receivable | 50 | 79 |
| Contributions receivable, net | 4,975 | 5,820 |
| Prepaid expenses and deferred charges | 148 | 119 |
| Investments | 161,392 | 149,165 |
| Land and land improvements, net | 423 | 323 |
| TOTAL ASSETS | <u>\$ 176,759</u> | <u>\$ 164,156</u> |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable | \$ 442 | \$ 275 |
| Agency funds | 43 | 27 |
| Deferred income | 534 | 457 |
| Funds held in trust for Northern Kentucky University | 18,575 | 16,105 |
| TOTAL LIABILITIES | <u>19,594</u> | <u>16,864</u> |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Undesignated | 4,444 | 3,994 |
| Amounts functioning as endowment funds | 4,078 | 3,738 |
| Invested in land and land improvements | 423 | 323 |
| Total without donor restrictions | <u>8,945</u> | <u>8,055</u> |
| With Donor Restrictions | | |
| Purpose Restrictions | | |
| Unexpended funds | 14,628 | 14,280 |
| Contributions receivable | 4,975 | 5,820 |
| Loan funds | 1,523 | 1,123 |
| Endowment funds | 127,094 | 118,014 |
| Total with donor restrictions | <u>148,220</u> | <u>139,237</u> |
| TOTAL NET ASSETS | <u>157,165</u> | <u>147,292</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 176,759</u> | <u>\$ 164,156</u> |

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Activities
For the year ended June 30, 2025
(in thousands)

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|------------------------------------|-------------------|
| REVENUES, GAINS AND OTHER SUPPORT | | | |
| Gifts and bequests | \$ - | \$ 5,746 | \$ 5,746 |
| Nonfinancial contributions | 100 | 3 | 103 |
| State grants | - | 10 | 10 |
| Rental income | 145 | 2 | 147 |
| Investment return, net | 912 | 11,997 | 12,909 |
| Other revenue | 154 | 934 | 1,088 |
| Total revenues and gains (losses) | 1,311 | 18,692 | 20,003 |
| Net assets released from restrictions | 9,417 | (9,417) | - |
| Total revenues, gains (losses) and other support | 10,728 | 9,275 | 20,003 |
| EXPENSES AND LOSSES | | | |
| Program expenses | | | |
| Instruction | 816 | - | 816 |
| Research | 253 | - | 253 |
| Public service | 220 | - | 220 |
| Libraries | 33 | - | 33 |
| Academic support | 1,376 | - | 1,376 |
| Student services | 1,107 | - | 1,107 |
| Institutional support | 1,247 | - | 1,247 |
| University facilities and equipment acquisition | 735 | - | 735 |
| Student financial aid | 3,188 | - | 3,188 |
| Other program expenses and losses | - | 292 | 292 |
| Total program expenses (recoveries) | 8,975 | 292 | 9,267 |
| Support expenses | | | |
| Management and general | 747 | - | 747 |
| Fund raising support | 116 | - | 116 |
| Total support expenses | 863 | - | 863 |
| TOTAL EXPENSES AND LOSSES (RECOVERIES) | 9,838 | 292 | 10,130 |
| CHANGE IN NET ASSETS | 890 | 8,983 | 9,873 |
| NET ASSETS - BEGINNING OF YEAR | 8,055 | 139,237 | 147,292 |
| NET ASSETS - END OF YEAR | \$ 8,945 | \$ 148,220 | \$ 157,165 |

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Activities
For the year ended June 30, 2024
(in thousands)

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|------------------------------------|-------------------|
| REVENUES, GAINS AND OTHER SUPPORT | | | |
| Gifts and bequests | \$ - | \$ 6,468 | \$ 6,468 |
| Nonfinancial contributions | - | 14 | 14 |
| State grants | - | 5 | 5 |
| Rental income | 145 | 1 | 146 |
| Investment return, net | 973 | 13,085 | 14,058 |
| Other revenue | 153 | 278 | 431 |
| Total revenues and gains (losses) | 1,271 | 19,851 | 21,122 |
| Net assets released from restrictions | 9,186 | (9,186) | - |
| Total revenues, gains (losses) and other support | 10,457 | 10,665 | 21,122 |
| EXPENSES AND LOSSES | | | |
| Program expenses | | | |
| Instruction | 844 | - | 844 |
| Research | 231 | - | 231 |
| Public service | 282 | - | 282 |
| Libraries | 44 | - | 44 |
| Academic support | 1,135 | - | 1,135 |
| Student services | 1,177 | - | 1,177 |
| Institutional support | 1,085 | - | 1,085 |
| University facilities and equipment acquisition | 624 | - | 624 |
| Student financial aid | 3,216 | - | 3,216 |
| Other program expenses and losses | - | 59 | 59 |
| Total program expenses (recoveries) | 8,638 | 59 | 8,697 |
| Support expenses | | | |
| Management and general | 583 | - | 583 |
| Fund raising support | 156 | - | 156 |
| Total support expenses | 739 | - | 739 |
| TOTAL EXPENSES AND LOSSES (RECOVERIES) | 9,377 | 59 | 9,436 |
| CHANGE IN NET ASSETS | 1,080 | 10,606 | 11,686 |
| NET ASSETS - BEGINNING OF YEAR | 6,975 | 128,631 | 135,606 |
| NET ASSETS - END OF YEAR | \$ 8,055 | \$ 139,237 | \$ 147,292 |

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.

Consolidated Statements of Cash Flows

For the years ended June 30, 2025 and 2024

(in thousands)

| | <u>2025</u> | <u>2024</u> |
|---|--------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Interest and dividends received | \$ 3,074 | \$ 2,431 |
| Contributions received | 3,894 | 4,010 |
| Other receipts | 489 | 401 |
| Payments to vendors for goods and services | (3,004) | (2,717) |
| Subgrants to Northern Kentucky University | (3,392) | (3,477) |
| Disbursements to students for financial aid | (3,188) | (3,216) |
| Net cash provided by (used in) operating activities | <u>(2,127)</u> | <u>(2,568)</u> |
| Cash flows from investing activities: | | |
| Proceeds from sales and maturities of investments | 38,251 | 25,532 |
| Purchases of investments | (38,146) | (23,976) |
| Net cash provided by (used in) investing activities | <u>105</u> | <u>1,556</u> |
| Cash flows from financing activities: | | |
| Endowment and other capital gifts | 2,521 | 2,521 |
| Net cash provided by (used in) financing activities | <u>2,521</u> | <u>2,521</u> |
| Net change in cash and cash equivalents | 499 | 1,509 |
| Cash and cash equivalents at beginning of year | 8,076 | 6,567 |
| Cash and cash equivalents at end of year | <u>\$ 8,575</u> | <u>\$ 8,076</u> |
| Reconciliation of change in net assets to net cash provided by (used in) operating activities: | | |
| Change in net assets | \$ 9,873 | \$ 11,686 |
| Credit loss expense adjustment | 68 | 2 |
| (Recovery) provision for uncollectible pledges | (176) | (4) |
| Adjustment of life estate remainder interest | 1 | (34) |
| Contributions restricted for long-term investment | (2,521) | (2,521) |
| Contribution of real estate | (100) | - |
| Net losses (gains) on investments | (9,867) | (11,576) |
| Changes in assets and liabilities: | | |
| Loans and accounts receivable | (690) | (205) |
| Interest receivable | 29 | (36) |
| Contributions receivable | 1,021 | 176 |
| Prepaid expenses and deferred charges | (29) | 8 |
| Accounts payable and agency funds | 183 | (43) |
| Deferred income | 76 | (23) |
| Cash surrender value of life insurance | 5 | 2 |
| Net cash provided by (used in) operating activities | <u>\$ (2,127)</u> | <u>\$ (2,568)</u> |
| Noncash investing activities: | | |
| Contribution of real estate | <u>\$ 100</u> | <u>\$ -</u> |

See accompanying notes to the consolidated financial statements

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

NOTE A – HISTORY AND PURPOSE

Northern Kentucky University Foundation, Inc.

Northern Kentucky University Foundation, Inc. (the Foundation) was incorporated November 19, 1970, as a Kentucky non-stock, not-for-profit corporation. The purpose of the Foundation, as stated by the articles of incorporation, is to provide general and specific services and material things necessary or desirable for the growth and development of Northern Kentucky University (the University), and encompasses prospective students, students, alumni, faculty, and staff, as well as research and civic services and cooperative educational programs. Any and all things and acts in and incidental to the conduct of such activities deemed useful, necessary, proper and lawful, are also declared purposes.

Kentucky Revised Statutes define affiliation status for corporations supporting public education institutions. The Foundation is an unaffiliated corporation as defined by the statutes.

The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Section 501(c)(3) of the code and has determined that it is not a private foundation within Section 509(a) of the code. Contributions, bequests, legacies, devices, transfers and gifts made to the Foundation are deductible by donors, as provided in Section 170 of the code.

Scope of Statements

The consolidated financial statements of the Foundation include the operations of the Foundation as well as the following single member limited liability companies: NKUF Properties 1, LLC, NKUF Properties 2, LLC, NKUF Properties 3, LLC, NKUF Properties 4, NKUF Properties 5, LLC, NKUF Properties 6, LLC, NKUF Properties 8, NKUF Properties 10 LLC, NKUF Properties 11 LLC, NKUF Ventures LLC, and NKUF Twelve Mile Nature Preserve LLC. These entities hold title to real estate and other assets formerly held by the Foundation. All material intercompany transactions and balances have been eliminated.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Foundation in preparation of its consolidated financial statements.

These statements are presented on the accrual basis of accounting, and have been prepared to focus on the Foundation as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets – with donor restrictions and without donor restrictions.

Net Assets

Net assets and changes therein are classified as follows:

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

Without donor restrictions - Net assets not subject to donor-imposed stipulations. And are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Revenues and Expenses

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Restricted contributions and net investment returns earned are reported as with donor restrictions and reclassified as without donor restricted when any donor-imposed restrictions are satisfied. Expirations of donor restrictions on net assets are met when a donor stipulated time restriction ends or purpose restriction is accomplished and reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Funds received for which required conditions have not yet been met are recorded as deferred income. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions receivable are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and nature of the fund-raising activity.

The value recorded for each contribution is recognized as follows:

| Nature of the Gift | Value Recognized |
|--|---|
| <i>Conditional gifts, with or without restriction</i> | |
| Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds | Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met |
| <i>Unconditional gifts, with or without restriction</i> | |
| Received at date of gift – cash and other assets | Fair value |
| Received at date of gift – property, equipment and long-lived assets | Estimated fair value |
| Expected to be collected within one year | Net realizable value |
| Collected in future years | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

Income and realized net gains on long-term investments are reported as follows:

- As increases in net assets with donor restrictions – if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the use of the income.
- As increases in net assets without donor restrictions – in all other cases.

Cash and Cash Equivalents

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits and temporary investments in marketable securities with maturities of less than three months. Cash and cash equivalents representing investments purchased with endowment net assets are reported as investments.

At various times throughout the year, the Foundation has cash in certain financial institutions in excess of insured limits. Additionally, at June 30, 2025 and 2024, \$5,107,000 and \$4,043,000, respectively, was insured by federal depository insurance. At June 30, 2025 and 2024, balances of \$3,396,000 and \$3,973,000, respectively, were not insured.

Loans and Accounts Receivable

Loans receivable consists primarily of loans made to students under privately funded loan programs. The advances are evidenced by signed promissory notes, bearing interest at varying stated interest rates, with varying due dates. Loans, accounts and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for an allowance for credit losses based on its assessment of the current status of individual accounts combined with an assessment of current and projected future economic conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans and accounts receivable. The allowance for credit losses as of June 30, 2025 and 2024 were \$86,000 and \$50,000, respectively.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair value. The estimated fair value of investments is based on quoted market prices, except for investments for which quoted market prices are not available. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations provided by the external investment managers adjusted for cash receipts, cash disbursements and distributions. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. The Foundation also holds investments in certain held-to-maturity debt securities and financial institution certificates of deposit which are presented at amortized cost basis.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation (depreciation) of investments earned during the year is provided for program support.

The Foundation has significant exposure to a number of risks including interest rate, market and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the Foundation's consolidated financial statements.

All true endowment investments and long-term net assets functioning as endowments are managed in a pool, unless special considerations or donor stipulations require that they be held separately.

Land and Land Improvements

At June 30, 2025 and 2024, land and land improvements (in thousands) consisted of:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|----------------------|
| Type of asset: | | |
| Land | \$ 178 | \$ 178 |
| Land held for future use by the University | 245 | 145 |
| Land improvements | <u>208</u> | <u>208</u> |
| Gross land and land improvements | 631 | 531 |
| Less: accumulated depreciation | <u>(208)</u> | <u>(208)</u> |
| Total land and land improvements, net | <u>\$ 423</u> | <u>\$ 323</u> |

Assets acquired for Foundation use with a useful life greater than one year and a value of \$5,000 or more are capitalized. Annual depreciation for land improvements is calculated on a straight-line basis, beginning in the month of acquisition based on a useful life of 30 years. Assets purchased or constructed through the Foundation for immediate use by the University are recorded by the Foundation as a program expense.

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2025 or 2024.

Reclassifications

Certain reclassifications have been made to the 2024 consolidated financial statements to conform to the 2025 consolidated financial statements presentation. These reclassifications had no effect on changes in net assets.

NOTE C – LEASES

At June 30, 2025 and 2024, the Foundation owned properties subject to lease agreements with unrelated parties, as follows:

One property is subject to a lease covering approximately 23 acres of Foundation land. The lease is for 48 years ending on July 31, 2040, with four additional lease option terms of ten years each. As a condition of the lease, the Foundation has executed fee title mortgages to institutional lenders which subordinates its title in the real estate leased as security for construction financing of permanent improvements thereon. Any improvements constructed on the leased property of the Foundation shall become the property of the Foundation only upon termination of the lease or termination of the last such renewal term as may be exercised.

A second property is subject to a property lease and easements covering approximately .2 (two tenths) acre of Foundation land. The initial lease term was 5 years, beginning January 1, 1997, with nine additional 5-year automatic renewals at the option of the lessee. At June 30, 2025, the Foundation is in year four of the fifth 5-year renewal.

A third property is subject to two leases for office space with terms ending August 31, 2024 and September 30, 2024. The Foundation did not renew these leases.

Rental income for these properties was approximately \$147,000 and \$146,000 for the years ended June 30, 2025 and 2024, respectively.

The following is a schedule by years of the future rentals receivable (in thousands) on property leases as of June 30, 2025:

| <u>Fiscal Year ending June 30</u> | |
|--|------------------------|
| 2026 | \$ 157 |
| 2027 | 149 |
| 2028 | 139 |
| 2029 | 139 |
| 2030 | 139 |
| Thereafter | 1,616 |
| Total future rentals | <u>\$ 2,339</u> |

NOTE D – UNCONDITIONAL AND CONDITIONAL PROMISES TO GIVE

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using a risk free interest rate and amortization of the discount is included in gifts and bequests revenue.

At June 30, 2025 and 2024, the Foundation recognized contributions based on the following unconditional promises to give (in thousands):

| | 2025 | 2024 |
|--|-----------------|-----------------|
| Purpose: | | |
| Endowment giving | \$ 1,138 | \$ 1,433 |
| Capital purposes | 42 | 5 |
| Operating programs | 4,520 | 5,047 |
| Gross unconditional promises to give | 5,700 | 6,485 |
| Less: Discount and allowance for uncollectible accounts | (725) | (665) |
| Net unconditional promises to give | \$ 4,975 | \$ 5,820 |
| Amounts due in: | | |
| Less than one year | \$ 2,184 | \$ 2,243 |
| One to five years | 2,916 | 3,342 |
| More than five years | 600 | 900 |
| Total | \$ 5,700 | \$ 6,485 |

The discount rates used to calculate the present value of contributions receivable at June 30, 2025 and 2024 vary from 0.6% to 5.6%, depending on when the promise was made.

Conditional promises to give are not included as support until such time as the conditions are substantially met. The Foundation had received conditional promises to give of approximately \$4.6 million at June 30, 2025 consisting of the face value of life insurance policies, net of accumulated cash surrender value, as well as conditional promises of \$2.7 million from one donor for the construction of a new facility and \$1.1 million from two donors for support of specified administrative positions. The Foundation had received conditional promises to give of approximately \$5.1 million at June 30, 2024, consisting of the face value of life insurance policies, net of accumulated cash surrender value, as well as conditional promises of \$3 million from one donor for the construction of a new facility and \$1.4 million from two donors for support of specified administrative positions.

Approximately 42% and 37% of total pledges receivable were due from one donor at June 30, 2025 and 2024, respectively.

NOTE E – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Other inputs that are observable for the asset or liability;
- Other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include short-term money market funds, cash surrender value, fixed income funds, real estate investment trusts, exchange traded funds, certificates of deposit, and equity funds.

Level 2 investments are based on quoted prices of securities or other property with similar characteristics and include a remainder interest in real property subject to a life estate.

Level 3 investments include those in which there is no active market. The Foundation held no Level 3 investments at June 30, 2025 or 2024.

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

The following assets were measured at fair value on a recurring basis as of June 30, 2025 (in thousands):

| | Fair Value Measurements Using | | | | |
|---|-------------------------------|---|---|--|------------------------------------|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Measured at NAV* |
| June 30, 2025 | | | | | |
| Type of Investment: | | | | | |
| Cash surrender value | \$ 512 | \$ 512 | \$ - | \$ - | \$ - |
| Fixed income funds: | | | | | |
| Core | 13,556 | 13,556 | - | - | - |
| Global | 9,365 | 9,365 | - | - | - |
| Equity funds: | | | | | |
| Large/mid-cap - broad | 38,735 | 38,735 | - | - | - |
| Large/mid-cap - growth | 2,717 | 2,717 | - | - | - |
| Large/mid-cap - value | 3,211 | 3,211 | - | - | - |
| Small/mid cap - broad | 5,415 | 5,415 | - | - | - |
| Small cap - growth | 19 | 19 | - | - | - |
| International - core | 12,480 | 12,480 | - | - | - |
| International small cap - value | 3,447 | 3,447 | - | - | - |
| Emerging markets - value | 2,384 | 2,384 | - | - | - |
| Emerging markets - growth | 1,934 | 1,934 | - | - | - |
| Real estate investment trust | 27 | 27 | - | - | - |
| Exchange traded funds | 213 | 213 | - | - | - |
| Certificates of deposit | 6,527 | 6,527 | - | - | - |
| Remainder interest in real property and other | 1,145 | - | 1,145 | - | - |
| Public natural resources-master limited partnerships | 4,194 | - | - | - | 4,194 |
| Private equity | 35,070 | - | - | - | 35,070 |
| Private debt | 4,732 | - | - | - | 4,732 |
| Natural resources | 4,237 | - | - | - | 4,237 |
| Private real estate | 7,588 | - | - | - | 7,588 |
| Hedge funds | 3,712 | - | - | - | 3,712 |
| Total | \$ 161,220 | \$ 100,542 | \$ 1,145 | \$ - | \$ 59,533 |

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position.

The following assets were measured at fair value on a recurring basis as of June 30, 2024 (in thousands):

| | Fair Value Measurements Using | | | | |
|---|-------------------------------|---|---|--|------------------------------------|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Measured at NAV* |
| June 30, 2024 | | | | | |
| Type of Investment: | | | | | |
| Cash surrender value | \$ 501 | \$ 501 | \$ - | \$ - | \$ - |
| Fixed income funds: | | | | | |
| Core | 14,904 | 14,904 | - | - | - |
| Global | 4,475 | 4,475 | - | - | - |
| Equity funds: | | | | | |
| Large/mid-cap - broad | 28,553 | 28,553 | - | - | - |
| Large/mid-cap - growth | 2,252 | 2,252 | - | - | - |
| Large/mid-cap - value | 6,052 | 6,052 | - | - | - |
| Small cap - growth | 2,257 | 2,257 | - | - | - |
| Small cap - value | 3,302 | 3,302 | - | - | - |
| International - core | 13,545 | 13,545 | - | - | - |
| International - value | - | - | - | - | - |
| International small cap - value | 3,869 | 3,869 | - | - | - |
| Emerging markets - value | 3,301 | 3,301 | - | - | - |
| Emerging markets - growth | 3,233 | 3,233 | - | - | - |
| Real estate investment trust | 24 | 24 | - | - | - |
| Exchange traded funds | 205 | 205 | - | - | - |
| Certificates of deposit | 5,485 | 5,485 | - | - | - |
| Remainder interest in real property and other | 1,130 | - | 1,130 | - | - |
| Public natural resources-master limited partnerships | 3,419 | - | - | - | 3,419 |
| Private equity | 32,233 | - | - | - | 32,233 |
| Private debt | 5,389 | - | - | - | 5,389 |
| Natural resources | 7,529 | - | - | - | 7,529 |
| Private real estate | 6,366 | - | - | - | 6,366 |
| Total | \$ 148,024 | \$ 91,958 | \$ 1,130 | \$ - | \$ 54,936 |

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position.

NOTE F – INVESTMENTS

The market values (in thousands) of the Foundation's investments as of June 30, 2025 and 2024 are categorized by type below:

| Type of Investment: | <u>2025</u> | <u>2024</u> |
|---|--------------------------|--------------------------|
| Cash and cash surrender value | \$ 684 | \$ 1,642 |
| Fixed income funds: | | |
| Core | 13,556 | 14,904 |
| Core plus | - | 4,475 |
| Global | 9,365 | - |
| Equity funds: | | |
| Large/mid cap - broad | 38,735 | 28,553 |
| Large/mid cap - growth | 2,717 | 2,252 |
| Large/mid cap - value | 3,211 | 6,052 |
| Small/mid cap - broad | 5,415 | - |
| Small cap - growth | 19 | 2,257 |
| Small cap - value | - | 3,302 |
| International - core | 12,480 | 13,545 |
| International small cap - value | 3,447 | 3,869 |
| Emerging markets - value | 2,384 | 3,301 |
| Emerging markets - growth | 1,934 | 3,233 |
| Real estate investment trust | 27 | 24 |
| Exchange traded funds | 213 | 205 |
| Certificates of deposit | 6,527 | 5,485 |
| Public natural resources - master limited partnerships | 4,194 | 3,419 |
| Remainder interest in real property and other | 1,145 | 1,130 |
| Private equity: | | |
| Buyout | 10,300 | 10,676 |
| Diversified | 2 | 74 |
| Growth | 7,952 | 6,893 |
| Venture capital | 14,659 | 12,635 |
| Secondary | 2,157 | 1,955 |
| Private debt: | | |
| Distressed | 4,732 | 5,389 |
| Natural resources: | | |
| Diversified | 793 | 1,227 |
| Energy | 1,384 | 3,130 |
| Commodities | 2,060 | 3,172 |
| Private real estate: | | |
| Opportunistic | 6,461 | 5,950 |
| Value added | 1,127 | 416 |
| Hedge funds | 3,712 | - |
| Total Investments | <u>\$ 161,392</u> | <u>\$ 149,165</u> |

Investment return, net (in thousands) for the years ended June 30, 2025 and 2024 consists of:

| | <u>2025</u> | <u>2024</u> |
|--|------------------------|------------------------|
| Interest and dividend income | \$ 3,045 | \$ 2,450 |
| (net of investment fees: 2025 - \$1,161, 2024 - \$1,044) | | |
| Net realized gains (losses) | 11,470 | (102) |
| Net unrealized gains (losses) | <u>(1,606)</u> | <u>11,710</u> |
| | <u>\$12,909</u> | <u>\$14,058</u> |

The Foundation records the cost of managing its endowment portfolio as a decrease in investment income within the appropriate net asset class in the consolidated statements of activities. Some of the Foundation's investment managers report investment transactions net of fees.

The investments of the Foundation are commingled with certain investments which the Foundation holds in trust for the University. The market value of funds held in trust for the University at June 30, 2025 and 2024 was approximately \$18,575,000 and \$16,105,000 respectively. (See Note I)

At June 30, 2025 and 2024, the Foundation had committed approximately \$88,300,000 of its endowment investment resources to alternative investments, of which approximately \$20,800,000 and \$26,500,000, respectively, had not yet been called by the investment managers. Alternative investments for which commitments have been made consist of private equity/debt, natural resources, private real estate and low-volatility.

Alternative investments of the Foundation have limited marketability and the related investment agreements generally contain restrictive redemption provisions to the extent that the underlying investments should be considered illiquid for the duration of the investment through normal maturity. Early redemption of such investments would likely result in recovery of significantly less than the original investment amount. Foundation management believes the investment portfolio contains sufficient liquidity among other asset classes to make early redemption of alternative investments unlikely for reasons of meeting current spending needs.

NOTE G – ENDOWMENTS

The Foundation's endowment consists of 426 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board, at their discretion, can at any time permit spending from the principal of any quasi-endowed fund, provided the expenditure complies with any donor-imposed restrictions related to the fund.

Kentucky enacted the Kentucky Uniform Prudent Management of Institutional Funds Act (KUPMIFA), the provisions of which apply to endowment funds existing on or established after enactment, with an effective date of July 15, 2010.

An interpretation of KUPMIFA provisions by the Foundation Board of Directors requires that the historical dollar amount of a donor-restricted endowment fund be preserved. As a result of this requirement, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The net appreciation of donor-restricted endowment funds is classified as net assets with purpose restrictions until those amounts are appropriated for expenditure by the Foundation.

Under KUPMIFA, the Foundation endowment spending policy allows for prudent spending of future endowment earnings for accounts without accumulated earnings based upon consideration of the following factors, if applicable:

- Duration and preservation of the endowment fund
- Purpose of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return on investments
- Other resources of the institution
- Investment policy

The approved annual endowment spending rate is reduced by a proportion of 5% for each 1% the affected endowment is below the value of original and subsequent gifts to the permanent endowment (i.e. principal).

Return Objectives and Risk Parameters. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a rate equal to the Consumer Price Index +5%, net of investment fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes fixed income investments as well as publicly traded equity-based investments and various alternative investment strategies to achieve its long-term return objectives within prudent risk parameters.

Spending Policy and How the Objectives Relate to Spending Policy. The spending policy calculates the amount of money annually distributed from the Foundation’s various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 3-5% of a moving sixteen quarter average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow the Foundation to meet its objective to maintain the historical dollar amount of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2025 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total Net Endowment Assets</u> |
|----------------------------------|--|---|--|
| Donor restricted endowment funds | \$ - | \$ 122,629 | \$ 122,629 |
| Quasi-endowment funds | <u>4,078</u> | <u>4,465</u> | <u>8,543</u> |
| Total endowment funds | <u>\$ 4,078</u> | <u>\$ 127,094</u> | <u>\$ 131,172</u> |

Changes in endowment net assets (in thousands) for the year ended June 30, 2025 are as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total Net Endowment Assets</u> |
|---|--|---|--|
| Endowment net assets, beginning of year | \$ 3,738 | \$ 118,014 | \$ 121,752 |
| Contributions collected and other additions | - | 1,798 | 1,798 |
| Investment return, net | 374 | 11,683 | 12,057 |
| Amounts appropriated for expenditure | (34) | (4,555) | (4,589) |
| Reclassify to held in perpetuity | - | 154 | 154 |
| | <u> </u> | <u> </u> | <u> </u> |
| Endowment net assets, end of year | <u>\$ 4,078</u> | <u>\$ 127,094</u> | <u>\$ 131,172</u> |

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2024 is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total Net Endowment Assets</u> |
|----------------------------------|--|---|--|
| Donor restricted endowment funds | \$ - | \$ 113,149 | \$ 113,149 |
| Quasi-endowment funds | <u>3,738</u> | <u>4,865</u> | <u>8,603</u> |
| Total endowment funds | <u>\$ 3,738</u> | <u>\$ 118,014</u> | <u>\$ 121,752</u> |

Changes in endowment net assets (in thousands) for the year ended June 30, 2024 are as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total Net Endowment Assets</u> |
|---|--|---|--|
| Endowment net assets, beginning of year | \$ 3,366 | \$ 108,069 | \$ 111,435 |
| Contributions collected and other additions | - | 1,608 | 1,608 |
| Investment return, net | 405 | 12,829 | 13,234 |
| Amounts appropriated for expenditure | <u>(33)</u> | <u>(4,492)</u> | <u>(4,525)</u> |
| Endowment net assets, end of year | <u>\$ 3,738</u> | <u>\$ 118,014</u> | <u>\$ 121,752</u> |

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or KUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2025 or 2024.

NOTE H – CONTINGENT LIABILITIES

Legal counsel for the Foundation have advised that they know of no pending or threatened litigation, claims or assessments involving the Foundation that could have a material adverse financial effect on the Foundation.

NOTE I – REGIONAL UNIVERSITY EXCELLENCE TRUST FUND

The Foundation holds certain funds, consisting of endowment matching funds received by the University from the Commonwealth of Kentucky’s Regional University Excellence Trust Fund, which were subsequently transferred to the Foundation for management and investment.

The Foundation reports these funds and accumulated earnings as assets held in trust for the University. Investment earnings, gains and losses and expenditures from these funds are reported as changes in the balance held in trust, rather than as revenue and expenses of the Foundation. (See Note F)

NOTE J – SUBSEQUENT EVENTS

Events occurring after June 30, 2025 have been evaluated for possible adjustment to the consolidated financial statements or disclosure through September 11, 2025, the date on which the consolidated financial statements were available to be issued.

NOTE K – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, the Foundation made payments on behalf of the University of \$315,000 and \$360,000, respectively, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University.

In support of University Programs, the Foundation incurred program expenses of \$9,267,000 and \$8,697,000 for 2025 and 2024, respectively, which consisted of payments on behalf of the University of \$6,004,000 and \$5,709,000, for 2025 and 2024, respectively; and amounts transferred to the University for restricted purposes of \$3,263,000 and \$2,988,000 for 2025 and 2024, respectively.

NOTE L – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, comprise the following (in thousands):

| | <u>2025</u> | <u>2024</u> |
|--|-----------------|-----------------|
| Cash and cash equivalents | \$ 6,428 | \$ 5,772 |
| Accounts receivable | 222 | 217 |
| Contributions receivable | 1,478 | 1,690 |
| Less allowance for uncollectible pledges | (23) | (21) |
| | <u>\$ 8,105</u> | <u>\$ 7,658</u> |

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2025 and 2024, restricted contributions of \$1,455,000 and \$1,669,000, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

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

The board-designated endowment for the years ended June 30, 2025 and 2024, of \$8,500,000 and \$8,000,000 is subject to an annual spending rate as described in Note G. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation's Finance and Audit Committee reviews the liquidity policy annually and the summarized financial reports at its regular meetings.

NOTE M – SCHEDULE OF FUNCTIONAL EXPENSES

The Foundation accounts for expenses in both natural classification categories and functional area categories. The summary of these for the year ended June 30, 2025 is as follows (in thousands):

| | Subgranted to NKU-Payroll | Subgranted to NKU-Other | Legal Services | Accounting Services | Other Contracted Services | Advertising & Promotion | Office Expenses | Information Technology | Occupancy | Travel | Insurance | Other Operating | Scholarships & Awards | Total |
|---|------------------------------|----------------------------|-------------------|------------------------|---------------------------------|----------------------------|--------------------|---------------------------|--------------|---------------|--------------|--------------------|--------------------------|------------------|
| Instruction | \$ 549 | \$ - | \$ - | \$ - | \$ 37 | \$ 8 | \$ 53 | \$ 28 | \$ 5 | \$ 36 | \$ - | \$ 100 | \$ - | \$ 816 |
| Research | 115 | - | - | - | 70 | 1 | 5 | - | - | 8 | - | 54 | - | 253 |
| Public service | 102 | - | - | - | 68 | 7 | 17 | 2 | 3 | 10 | - | 11 | - | 220 |
| Libraries | 9 | - | - | - | 1 | - | 10 | 4 | - | 4 | - | 5 | - | 33 |
| Academic support | 802 | - | - | - | 56 | 22 | 256 | 13 | 10 | 129 | - | 88 | - | 1,376 |
| Student services | 374 | - | - | - | 35 | 7 | 145 | 17 | 2 | 322 | - | 205 | - | 1,107 |
| Institutional support | 709 | 10 | - | - | 264 | 26 | 129 | 7 | 3 | 15 | - | 84 | - | 1,247 |
| University facilities and equipment acquisition | - | 593 | - | - | 74 | - | 18 | 5 | - | - | - | 45 | - | 735 |
| Student financial aid | - | - | - | - | - | - | - | - | - | - | - | - | 3,188 | 3,188 |
| Other program expenses and losses (recoveries) | - | - | - | - | - | - | - | - | - | - | - | 292 | - | 292 |
| Total program expenses | 2,660 | 603 | - | - | 605 | 71 | 633 | 76 | 23 | 524 | - | 884 | 3,188 | 9,267 |
| Management and general | 315 | - | 7 | 35 | 16 | - | 22 | 3 | - | 4 | 17 | 328 | - | 747 |
| Fund raising support | - | - | - | - | 18 | 10 | 55 | - | 8 | 12 | - | 13 | - | 116 |
| Total support expenses | 315 | - | 7 | 35 | 34 | 10 | 77 | 3 | 8 | 16 | 17 | 341 | - | 863 |
| Total expenses and losses | \$ 2,975 | \$ 603 | \$ 7 | \$ 35 | \$ 639 | \$ 81 | \$ 710 | \$ 79 | \$ 31 | \$ 540 | \$ 17 | \$ 1,225 | \$ 3,188 | \$ 10,130 |

The summary for the year ended June 30, 2024 is as follows (in thousands):

| | Subgranted to NKU-Payroll | Subgranted to NKU-Other | Legal Services | Accounting Services | Other Contracted Services | Advertising & Promotion | Office Expenses | Information Technology | Occupancy | Travel | Insurance | Other Operating | Scholarships & Awards | Total |
|---|------------------------------|----------------------------|-------------------|------------------------|---------------------------------|----------------------------|--------------------|---------------------------|--------------|---------------|--------------|--------------------|--------------------------|-----------------|
| Instruction | \$ 625 | \$ 21 | \$ - | \$ - | \$ - | \$ 3 | \$ 42 | \$ 3 | \$ 4 | \$ 35 | \$ - | \$ 60 | \$ - | \$ 844 |
| Research | 123 | - | 8 | - | 30 | - | 8 | - | - | 3 | - | 59 | - | 231 |
| Public service | 111 | - | - | - | 73 | 8 | 26 | 1 | 41 | 8 | - | 14 | - | 282 |
| Libraries | 2 | - | - | - | - | - | 21 | 5 | - | - | - | 16 | - | 44 |
| Academic support | 551 | - | - | - | 107 | 20 | 214 | 13 | - | 141 | - | 89 | - | 1,135 |
| Student services | 310 | - | - | - | 134 | 7 | 163 | 20 | 1 | 351 | - | 191 | - | 1,177 |
| Institutional support | 680 | - | - | - | 76 | 45 | 162 | 25 | - | 7 | - | 90 | - | 1,085 |
| University facilities and equipment acquisition | 2 | 563 | - | - | 8 | - | 2 | 3 | - | - | - | 46 | - | 624 |
| Student financial aid | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,216 |
| Other program expenses and losses (recoveries) | - | - | - | - | - | - | - | - | - | - | - | 59 | - | 59 |
| Total program expenses | 2,404 | 584 | 8 | - | 479 | 83 | 638 | 70 | 46 | 545 | - | 624 | 3,216 | 8,697 |
| Management and general | 360 | - | 1 | 35 | 9 | - | 28 | 3 | - | 6 | 17 | 124 | - | 583 |
| Fund raising support | - | - | - | - | 19 | 5 | 87 | - | 6 | 5 | - | 34 | - | 156 |
| Total support expenses | 360 | - | 1 | 35 | 28 | 5 | 115 | 3 | 6 | 11 | 17 | 158 | - | 739 |
| Total expenses and losses | \$ 2,764 | \$ 584 | \$ 9 | \$ 35 | \$ 507 | \$ 88 | \$ 753 | \$ 73 | \$ 52 | \$ 556 | \$ 17 | \$ 782 | \$ 3,216 | \$ 9,436 |

NOTE N – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, contributed nonfinancial assets (in thousands) recognized within the consolidated statements of activities included:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|---------------|--------------|
| Event Supplies/Administrative Costs | \$ 2 | \$ 2 |
| Athletic/Educational Supplies | 1 | 10 |
| Other | - | 2 |
| Property | 100 | - |
| | <u>\$ 103</u> | <u>\$ 14</u> |

The Foundation recognized nonfinancial assets within revenue with donor restrictions, including event, athletic, and educational supplies/administrative costs, NKU FUEL Pantry supplies, and property. The recognized values of these donated items are based on the fair market value of the contributions at the time of donation based upon a review of advertised similar products.

Contributed event supplies/administrative costs were utilized by various NKU events.

Contributed athletic/educational supplies were utilized by the NKU FUEL Pantry which provides food and other necessities for NKU students, as well as the NKU Athletics and Nursing programs.

Contributed property was for land to be held for future use by the University.

Volunteers contribute significant amounts of time to the program services and the Foundation, however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP.



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