Financial Statements and Report of Independent Certified Public Accountants

Stockton University Foundation
(A Component Unit of Stockton University)

June 30, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Stockton University Foundation

Opinion

We have audited the financial statements of Stockton University Foundation (the "Foundation"), a component unit of Stockton University, which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 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 one year after the date the financial statements are available to be issued.

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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 US 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 US 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.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 28, 2026

Stockton University Foundation
(A Component Unit of Stockton University)

STATEMENTS OF FINANCIAL POSITION

June 30,

	2026	2025
ASSETS		
Cash and cash equivalents	$ 1,152,649	$ 889,191
Contributions receivable, net	4,117	9,233
Pledges receivable, net	6,651,502	5,886,188
Investments	70,716,649	69,106,016
Other assets	13,773	33,347
Total assets	$ 78,538,690	$ 75,923,975
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 79,928	$ 65,813
Due to University	44,662	202,735
Total liabilities	124,590	268,548
Net assets		
Without donor restrictions		
Designated by the Board	3,554,541	3,150,171
Undesignated	1,162,661	986,368
Total without donor restrictions	4,717,202	4,136,539
With donor restrictions		
Purpose restricted	19,926,280	15,852,433
Time restricted for future periods	20,458,902	18,955,951
	40,385,182	34,808,384
Endowment funds	33,311,716	36,710,504
Total with donor restrictions	73,696,898	71,518,888
Total net assets	78,414,100	75,655,427
Total liabilities and net assets	$ 78,538,690	$ 75,923,975

The accompanying notes are an integral part of these financial statements.

Stockton University Foundation
(A Component Unit of Stockton University)

STATEMENT OF ACTIVITIES

Year ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions: Purpose and Time Restricted	With Donor Restrictions: Endowment Funds	With Donor Restrictions: Total	Total
Revenues					
Contributions, net	$ 2,791	$ 3,914,021	$ 1,294,442	$ 5,208,463	$ 5,211,254
Special events					
Revenues	178,651	232,568	262,913	495,481	674,132
In-kind contributions	-	1,500	-	1,500	1,500
Less: costs of direct benefits to donors	-	(138,285)	-	(138,285)	(138,285)
Special events revenue, net	178,651	95,783	262,913	358,696	537,347
Endowment spending policy	91,181	(91,181)	-	(91,181)	-
In-kind contributions	1,617,221	-	-	-	1,617,221
Investment return, net	648,821	8,726,757	43,857	8,770,614	9,419,435
Return of donor contribution due to rescission	-	(3,320,506)	(5,000,000)	(8,320,506)	(8,320,506)
Net assets released from restrictions					
Scholarships	1,751,603	(1,751,603)	-	(1,751,603)	-
Program expenses	1,996,473	(1,996,473)	-	(1,996,473)	-
Total revenues	6,286,741	5,576,798	(3,398,788)	2,178,010	8,464,751
Expenses					
Program					
Scholarships and awards	1,857,953	-	-	-	1,857,953
Academic support	850,735	-	-	-	850,735
Facilities support	999,484	-	-	-	999,484
Other direct support	62,905	-	-	-	62,905
Faculty support	8,604	-	-	-	8,604
Supporting					
Official representation	33,048	-	-	-	33,048
General and administrative	134,324	-	-	-	134,324
Fundraising	138,135	-	-	-	138,135
Bad debt expense	2,169	-	-	-	2,169
In-kind expense	1,618,721	-	-	-	1,618,721
Total expenses	5,706,078	-	-	-	5,706,078
INCREASE (DECREASE) IN NET ASSETS	580,663	5,576,798	(3,398,788)	2,178,010	2,758,673
Net assets, beginning of year	4,136,539	34,808,384	36,710,504	71,518,888	75,655,427
Net assets, end of year	$ 4,717,202	$40,385,182	$33,311,716	$73,696,898	$78,414,100

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

Stockton University Foundation
(A Component Unit of Stockton University)

STATEMENT OF ACTIVITIES

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions: Purpose and Time Restricted	With Donor Restrictions: Endowment Funds	With Donor Restrictions: Total	Total
Revenues					
Contributions, net	$ 41,593	$ 2,302,058	$ 1,092,831	$ 3,394,889	$ 3,436,482
Special events					
Revenues	160,103	214,177	187,279	401,456	561,559
In-kind contributions	-	225	-	225	225
Less: costs of direct benefits to donors	-	(113,497)	-	(113,497)	(113,497)
Special events revenue, net	160,103	100,905	187,279	288,184	448,287
Endowment spending policy	84,616	(84,616)	-	(84,616)	-
In-kind contributions	1,448,443	-	-	-	1,448,443
Investment return, net	428,663	6,850,867	22,023	6,872,890	7,301,553
Net assets released from restrictions					
Scholarships	1,413,125	(1,413,125)	-	(1,413,125)	-
Program expenses	1,298,678	(1,298,678)	-	(1,298,678)	-
Total revenues	4,875,221	6,457,411	1,302,133	7,759,544	12,634,765
Expenses					
Program					
Scholarships and awards	1,517,426	-	-	-	1,517,426
Academic support	546,555	-	-	-	546,555
Facilities support	615,079	-	-	-	615,079
Other direct support	48,641	-	-	-	48,641
Faculty support	25,027	-	-	-	25,027
Supporting					
Official representation	28,961	-	-	-	28,961
General and administrative	113,582	-	-	-	113,582
Fundraising	143,356	-	-	-	143,356
Bad debt expense	3,017	-	-	-	3,017
In-kind expense	1,448,668	-	-	-	1,448,668
Total expenses	4,490,312	-	-	-	4,490,312
INCREASE IN NET ASSETS	384,909	6,457,411	1,302,133	7,759,544	8,144,453
Net assets, beginning of year	3,751,630	28,350,973	35,408,371	63,759,344	67,510,974
Net assets, end of year	$ 4,136,539	$ 34,808,384	$ 36,710,504	$ 71,518,888	$ 75,655,427

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

Stockton University Foundation
(A Component Unit of Stockton University)

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2026	2025
Cash flows from operating activities		
Increase in net assets	$ 2,758,673	$ 8,144,453
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Bad debt expense	2,169	3,017
Return of donor contribution due to rescission	8,320,506	-
Change in discount and allowance on pledge receivables	258,012	(224,647)
Contributions restricted for long-term purposes	(1,557,355)	(1,280,110)
Net realized and unrealized gains on investments	(7,303,336)	(5,814,695)
Changes in operating assets and liabilities:		
Contributions receivable	5,116	(5,116)
Pledges receivable, net	(1,025,495)	935,950
Other receivables	-	3,101
Other assets	19,574	37,903
Accounts payable and accrued expenses	14,115	(273)
Due to University	(158,073)	157,871
Net cash provided by operating activities	1,333,906	1,957,454
Cash flows from investing activities		
Proceeds from sales of investments	22,821,192	73,236,535
Purchases of investments	(17,128,489)	(76,563,689)
Net cash provided by (used in) investing activities	5,692,703	(3,327,154)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	1,557,355	1,280,110
Return of donor contribution due to rescission	(8,320,506)	-
Net cash (used in) provided by financing activities	(6,763,151)	1,280,110
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	263,458	(89,590)
Cash and cash equivalents, beginning of year	889,191	978,781
Cash and cash equivalents, end of year	$ 1,152,649	$ 889,191

The accompanying notes are an integral part of these financial statements.

NOTE A - ORGANIZATION

Stockton University Foundation (the "Foundation") is incorporated within the State of New Jersey to receive gifts, grants and bequests from the community to support, complement and extend the programs and goals of Stockton University (the "University"). The mission of the Foundation is to act in partnership with the Board of Trustees of the University to develop resources and secure private contributions for the enhancement of educational opportunities and services at the University.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). US GAAP also requires that net assets, revenues, gains, expenses and losses be classified as with or without donor restrictions based on the existence or absence of donor-imposed restrictions.

Income Taxes

The Internal Revenue Service has classified the Foundation as a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and a public charity under Section 509(a)(3) of the Code. The State of New Jersey Division of Taxation has determined the Foundation to be exempt from New Jersey income tax, as well as sales and use tax for purchases directly related to the purposes for which the Foundation was formed and purchased with Foundation funds.

The Foundation does not believe its financial statements include any material uncertain tax positions for which recognition or disclosure is warranted. The Foundation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expense. No interest or penalties were recognized in 2026 and 2025.

The Foundation is exempt from federal income taxation; nevertheless, it may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

Classification of Net Assets

The Foundation's net assets and revenues, gains and losses are presented in the accompanying financial statements based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions - net assets not subject to any donor-imposed stipulations. Net assets without donor restrictions may also be designated for specific purposes by the Foundation's Board of Directors.

With Donor Restrictions - net assets subject to donor-imposed stipulations that will be met by actions of the Foundation or by the passage of time as well as net assets subject to donor-imposed stipulations requiring that they be maintained in perpetuity by the Foundation. Investment income earned from these funds is included in net assets with donor restrictions unless otherwise directed by those respective donors.

Contributions and Pledges

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the

conditions on which they depend are substantially met. Unconditional promises to give, which will be received after one year, are recorded after discounting to the present value of expected future cash flows at a discount rate commensurate with the risks involved. Non-cash contributions are recorded at the estimated fair value on the date of donation.

Contributions are reported as revenue with donor restrictions if the contributions are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, a purpose restriction is accomplished and any time stipulated restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature in three months or less from the date of purchase and include money market funds except for those included within investment accounts.

Functional Allocation of Expenses

The costs of providing the program, supporting and fundraising services of the Foundation have been reported on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program, supporting and fundraising services based upon the function benefited.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments donated to, or purchased by, the Foundation are recorded at fair value using dealer or exchange quoted market prices. Interest and dividend income and net realized and unrealized gains and losses in fair value of investments are included in the statement of activities.

The Foundation’s investments are comprised of a variety of financial instruments and are managed by investment advisors. The investments reported in the statement of financial position are exposed to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in their fair value, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

The Foundation has adopted a total return investment policy. The primary investment objective is to maximize long-term return through a combination of income and capital appreciation achieved in a prudent manner.

Contributed Nonfinancial Assets

The Foundation receives in-kind contributions on an annual basis in the form of contributed services from related and unrelated parties. These nontangible contributed nonfinancial assets are recognized as income in the period they are received and recorded as part of management and general expenses upon use and

based upon the nature of the nontangible contributed nonfinancial asset. Contributed nonfinancial assets generally do not have donor-imposed restrictions.

Contributed services, which include professional services (finance and administration) from the University and other unrelated parties, are reported as contributions at their fair value based on current rates for similar services if such services 1) create or enhance nonfinancial assets, or 2) would typically need to be purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills.

For the years ended June 30, 2026 and 2025, such contributed nonfinancial assets recognized within the statements of activities consisted of the following:

	2026	2025
Services from University	$ 1,617,221	$ 1,448,443
Services from unrelated parties	1,500	225
Total	$ 1,618,721	$ 1,448,668

NOTE C - CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash in bank accounts, which at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give. The allowance for doubtful pledges is based on management's estimates and historical collections of pledges.

Pledges receivable as of June 30, 2026 and 2025 were as follows:

	2026	2025
Less than one year	$ 1,566,580	$ 1,247,519
One to five years	3,157,834	2,752,569
More than five years	3,302,000	3,003,000
Total	8,026,414	7,003,088
Less: discount to net present value	(635,856)	(462,879)
Less: allowance for doubtful pledges	(739,056)	(654,021)
Pledges receivable, net	$ 6,651,502	$ 5,886,188

Pledges which are receivable in more than one year are discounted to fair value using an applicable fair market value rate from 0.79% to 4.31%.

Conditional promises to give as of June 30, 2026, which are not reflected in the accompanying statement of financial position, were as follows:

	2026
Bequests in wills	$ 1,836,500
Life insurance contracts	100,000
Total	$ 1,936,500

NOTE E - INVESTMENTS/FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures provide the framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques require maximization of observable inputs and minimization of unobservable inputs. The levels of the fair value hierarchy are as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market;

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed; and

Level 3 - Securities that have little to no pricing observability. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

The financial instruments' level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement and does not necessarily correspond to the Foundation's perceived risk of such investment.

The following tables set forth, by level, the Foundation's investments at fair value, within the fair value hierarchy:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 604,623	$ -	$ -	$ 604,623
Equity mutual funds	39,400,144	2,785,976	-	42,186,120
Fixed income mutual funds	15,889,765	-	-	15,889,765
	$ 55,894,532	$ 2,785,976	$ -	58,680,508
Investments at NAV				12,036,141
Total				$ 70,716,649

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 644,025	$ -	$ -	$ 644,025
Equity mutual funds	35,154,396	2,746,094	-	37,900,490
Fixed income mutual funds	22,579,426	-	-	22,579,426
	$ 58,377,847	$ 2,746,094	$ -	61,123,941
Investments at NAV				7,982,075
Total				$ 69,106,016

The investments at net asset value ("NAV") are investments in private and public equity funds whereby NAV is used to estimate fair value. These funds are long-term capital appreciation funds which provide investors access to the private-equity holdings of the issuer. The Foundation has unfunded commitments of $336,808 and $359,654 related to the private equity investments at June 30, 2026 and 2025, respectively. The redemption frequencies and notice periods are at the discretion of each fund's General Partner.

Investment return, net for the years ended June 30, 2026 and 2025 is comprised of the following:

	2026	2025
Dividend and interest income, net	$ 2,116,099	$ 1,486,858
Net realized gains on investments	1,871,185	14,850,523
Net change in unrealized gains and losses on investments	5,432,151	(9,035,828)
Investment return, net	$ 9,419,435	$ 7,301,553

Investment fees included in dividend and interest income, net, amounted to $274,392 and $238,029 for 2026 and 2025, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2026 and 2025, net assets with donor restrictions for purpose and time consisted of the following:

	2026	2025
Scholarships and awards	$ 18,316,887	$ 12,726,332
Academic support	11,857,122	9,432,503
Facilities support	8,766,180	11,437,358
Faculty support	407,620	304,597
Other direct support	298,283	240,093
Official representation	26,136	37,634
Fundraising (special events)	712,954	629,867
Total	$ 40,385,182	$ 34,808,384

During the years ended June 30, 2026 and 2025, net assets were released from restrictions for the following purposes:

	2026	2025
Scholarships and awards	$ 1,751,603	$ 1,413,125
Program and supporting expenses		
Academic support	849,036	537,099
Facilities support	999,484	615,079
Faculty support	8,604	25,027
Other direct support	40,830	5,466
Official representation	10,797	10,702
General and administrative (donor cultivation)	-	10,907
Fundraising (special events)	85,553	91,381
Bad debt expense	2,169	3,017
Total	$ 3,748,076	$ 2,711,803

NOTE G - RELATED PARTY TRANSACTIONS

The Foundation is located on the campus of the University.

	Years Ended June 30,	
	2026	2025
Foundation's support to the University		
Scholarships and awards	$ 1,857,953	$ 1,517,426
Academic support	850,735	546,555
Facilities support		
Alliance Heritage Center	31,852	-
Holocaust Resource Center	31,091	-
NAMS Terrapin Conservation	8,932	-
Noyes Museum	183,787	226,144
Observatory	-	10,365
Physical therapy	-	17,467
Sam Azeez Museum	743,822	361,103
	999,484	615,079
Faculty support	8,604	25,027
	$ 3,716,776	$ 2,704,087

NOTE H - ENDOWMENTS

Endowment funds are comprised of donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by US GAAP, net assets associated with endowment funds, including Board-designated funds, are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of fair value of the original gift as of the gift date to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument.

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

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and appreciation of investments;

6. Other resources of the Foundation; and

7. The investment policies of the Foundation.

The Foundation's endowment was comprised of the following for the year ended June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions: Time Restricted for Future Periods	With Donor Restrictions: Endowment Funds	Total
Endowment, beginning of year	$ 3,150,171	$ 18,955,951	$ 36,710,504	$ 58,816,626
Investment return				
Investment income	116,825	1,427,151	21,788	1,565,764
Net realized and unrealized gains	382,898	5,101,993	22,069	5,506,960
Total investment return	499,723	6,529,144	43,857	7,072,724
Contributions	-	-	1,294,442	1,294,442
Transfers to Board-designated endowment	1,005	-	-	1,005
Return of donor contribution due to rescission	-	(3,320,506)	(5,000,000)	(8,320,506)
Special events contributions	-	-	262,913	262,913
Endowment spending policy	(6,258)	(91,181)	-	(97,439)
Board-designated scholarships	(90,100)	-	-	(90,100)
Net assets released from restrictions	-	(1,614,506)	-	(1,614,506)
Changes in net assets	404,370	1,502,951	(3,398,788)	(1,491,467)
Endowment, end of year	$ 3,554,541	$ 20,458,902	$ 33,311,716	$ 57,325,159

The Foundation's endowment had the following net asset composition at June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions: Time Restricted for Future Periods	With Donor Restrictions: Endowment Funds	Total
Donor-restricted endowment	$ -	$ 20,458,902	$ 33,311,716	$ 53,770,618
Board-designated endowment	3,554,541	-	-	3,554,541
Endowment, end of year	$ 3,554,541	$ 20,458,902	$ 33,311,716	$ 57,325,159

During the year ended June 30, 2026, the Foundation entered into a gift termination agreement with a donor upon mutually determining that the original purposes stated in the original gift agreement could no longer be fulfilled and that original contribution could not be used in any other manner to coincide with the original intent. As a result, and upon entering into the gift termination agreement, the Foundation returned $8,320,506 to the donor.

The Foundation's endowment was comprised of the following for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions: Time Restricted for Future Periods	With Donor Restrictions: Endowment Funds	Total
Endowment, beginning of year	$ 2,882,476	$ 14,837,499	$ 35,408,371	$ 53,128,346
Investment return				
Investment income	74,086	1,082,370	5,072	1,161,528
Net realized and unrealized gains	286,952	4,246,315	16,951	4,550,218
Total investment return	361,038	5,328,685	22,023	5,711,746
Contributions	-	(323)	1,092,831	1,092,508
Special events contributions	-	-	187,279	187,279
Endowment spending policy	(6,043)	(84,616)	-	(90,659)
Board-designated scholarships	(87,300)	-	-	(87,300)
Net assets released from restrictions	-	(1,125,294)	-	(1,125,294)
Changes in net assets	267,695	4,118,452	1,302,133	5,688,280
Endowment, end of year	$ 3,150,171	$ 18,955,951	$ 36,710,504	$ 58,816,626

The Foundation's endowment had the following net asset composition at June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions: Time Restricted for Future Periods	With Donor Restrictions: Endowment Funds	Total
Donor-restricted endowment	$ -	$ 18,955,951	$ 36,710,504	$ 55,666,455
Board-designated endowment	3,150,171	-	-	3,150,171
Endowment, end of year	$ 3,150,171	$ 18,955,951	$ 36,710,504	$ 58,816,626

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the level that the donor or state law requires the Foundation to retain as a fund of perpetual duration**.** These deficiencies result from unfavorable market fluctuations that occur after the initial investment of the donor-restricted contributions. As of June 30, 2026 and 2025, there were no endowment funds with accumulated deficiencies. Both fund deficiencies and subsequent gains above that amount would be reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a relatively predictable and growing stream of annual distributions in support of the institution while preserving the long-term, real purchasing power of the related assets. An additional purpose of the fund is

to provide a source of funds for a time when the Foundation may face a financial emergency, subject to any funds being utilized in such a manner which are consistent with the original donor restrictions. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity, as well as Board-designated funds.

Strategies Employed for Achieving Objectives

The overall financial goal of the endowment is to maintain or enhance its fair value while providing the Foundation's operating budget with a relatively predictable and growing stream of revenue targeted at approximately 4% of the endowment for the 20 trailing quarterly periods ending December 31 of the prior fiscal year. Therefore, the financial objective is to earn a total return (net of all fees and expenses) equal to or exceeding the spending rate plus the inflation rate as measured by the Consumer Price Index. For an endowment to maintain its inflation adjusted level of support, it must earn an investment return equal to the spending rate plus the inflation rate.

NOTE I - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by functional and natural classification for the years ended June 30, 2026 and 2025 are shown below:

	Program Activities					Supporting Activities		
2026	Scholarships and Awards	Academic Support	Facilities Support	Other Direct Support	Faculty Support	Administrative General and Other	Fundraising	Total Expenses
Scholarships awarded	$1,857,953	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,857,953
Contracted services	-	48,571	14,426	5,454	-	-	42,559	111,010
Legal fees	-	-	-	-	-	13,160	-	13,160
Accounting fees	-	-	-	3,865	-	28,000	-	31,865
Consultants	-	16,039	41,784	250	-	-	6,615	64,688
Insurance	-	-	-	2,067	-	2,214	326	4,607
Occupancy/overhead	-	-	-	-	-	1,617,221	-	1,617,221
Support of University fundraising	-	267,909	930,975	1,834	4,000	-	-	1,204,718
Travel, conferences and meetings	-	341,951	8,422	43,118	4,204	63,852	-	461,547
Printing and advertising	-	37,770	1,750	1,617	-	4,305	20,039	65,481
Supplies and miscellaneous equipment	-	122,444	2,127	2,099	400	12,706	13,540	153,316
Subscriptions and memberships	-	2,591	-	-	-	29,880	53,413	85,884
Fees/licenses/fines	-	5,740	-	2,601	-	12,755	1,643	22,739
Other expenses	-	7,720	-	-	-	4,169	-	11,889
Total expenses	$1,857,953	$ 850,735	$ 999,484	$ 62,905	$ 8,604	$ 1,788,262	$ 138,135	$ 5,706,078

	Program Activities					Supporting Activities		
2025	Scholarships and Awards	Academic Support	Facilities Support	Other Direct Support	Faculty Support	Administrative General and Other	Fundraising	Total Expenses
Scholarships awarded	$1,517,426	$ -	$ -	$ -	$ -	$ -	$ -	$1,517,426
Contracted services	-	12,500	8,388	-	-	-	57,250	78,138
Legal fees	-	-	-	-	-	3,916	-	3,916
Accounting fees	-	-	-	-	-	28,081	-	28,081
Consultants	-	26,456	22,680	400	1,750	14,175	2,850	68,311
Insurance	-	-	-	-	-	2,149	769	2,918
Occupancy/overhead	-	-	-	-	-	1,448,443	-	1,448,443
Support of University fundraising	-	104,101	580,168	-	5,000	-	-	689,269
Travel, conferences and meetings	-	246,893	-	43,814	16,392	64,347	-	371,446
Printing and advertising	-	34,557	2,081	250	-	4,712	15,326	56,926
Supplies and miscellaneous equipment	-	85,536	1,762	4,137	1,885	4,863	13,953	112,136
Subscriptions and memberships	-	14,418	-	-	-	9,090	52,097	75,605
Fees/licenses/fines	-	13,332	-	40	-	10,210	1,111	24,693
Other expenses	-	8,762	-	-	-	4,242	-	13,004
Total expenses	$1,517,426	$ 546,555	$ 615,079	$ 48,641	$ 25,027	$ 1,594,228	$ 143,356	$4,490,312

All costs are charged directly to the appropriate functional category.

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Furthermore, the Foundation invests cash in excess of requirements in short-term investments.

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure at June 30, 2026 and 2025 are as follows:

	2026	2025
Cash and cash equivalents	$ 1,152,649	$ 889,191
Receivables, net	1,570,697	1,256,752
Other current assets	13,773	33,347
Investments	70,716,649	69,106,016
Total financial assets available within one year	73,453,768	71,285,306
Less		
Amounts unavailable for general expenditures within one year due to		
Restricted by donors with purpose restrictions	(19,926,280)	(15,852,433)
Restricted by donors in perpetuity	(33,311,716)	(36,710,504)
Liabilities expected to be paid within one year	(124,590)	(268,548)
Investments at NAV	(1,801,664)	(1,862,852)
Total amounts unavailable for general expenditures within one year	(55,164,250)	(54,694,337)
Amounts unavailable to management without Board approval:		
Board-designated net assets	(3,554,541)	(3,150,171)
Total financial assets available to management for general expenditure within one year	$ 14,734,977	$ 13,440,798

NOTE K - SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through October 28, 2026, the date the financial statements were available to be issued.