

BUCKNELL UNIVERSITY
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE INFORMATION
AS OF JUNE 30, 2024)



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**BUCKNELL UNIVERSITY
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YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Bucknell University
Lewisburg, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bucknell University and its subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bucknell University and its subsidiaries as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Bucknell University and its subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

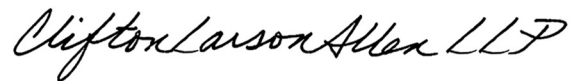
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bucknell University and its subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bucknell University and its subsidiaries' 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 Trustees
Bucknell University

Report on Summarized Comparative Information

We have previously audited Bucknell University and its subsidiaries 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 22, 2025

BUCKNELL UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 37,353	\$ 31,139
Inventories, Prepaid Expenses, and Other Assets	7,533	6,524
Accounts and Other Receivables, Net	3,967	6,334
Contributions Receivable, Net	22,946	18,567
Loans and Notes Receivable, Net	548	630
Investments	1,304,806	1,209,437
Funds Held in Trust by Others	9,417	9,098
Property and Equipment, Net	<u>478,213</u>	<u>461,455</u>
Total Assets	<u><u>\$ 1,864,783</u></u>	<u><u>\$ 1,743,184</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 50,061	\$ 40,277
Deferred Revenue and Student Deposits	6,247	3,654
Funds Held for the Accounts of Others	5,012	4,823
Postretirement Health Care	48,125	63,093
Annuities Payable	15,802	12,790
Advances from Federal Government	612	861
Long-Term Debt	<u>163,807</u>	<u>156,407</u>
Total Liabilities	289,666	281,905
NET ASSETS		
Without Donor Restriction	651,262	618,226
With Donor Restriction	<u>923,855</u>	<u>843,053</u>
Total Net Assets	<u>1,575,117</u>	<u>1,461,279</u>
Total Liabilities and Net Assets	<u><u>\$ 1,864,783</u></u>	<u><u>\$ 1,743,184</u></u>

See accompanying Notes to Consolidated Financial Statements.

BUCKNELL UNIVERSITY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

	2025			
	Without Donor Restriction	With Donor Restriction	Total	2024
OPERATING REVENUE				
Net Tuition	\$ 161,018	\$ -	\$ 161,018	\$ 152,905
Sales and Services of Auxiliary Enterprises	49,935	-	49,935	48,161
Grants and Contracts	5,703	-	5,703	5,853
Gifts and Contributions	2,192	12,951	15,143	13,768
Interest Income	5,176	-	5,176	6,053
Net Investment Income	21,494	29,478	50,972	50,556
Other	9,951	-	9,951	7,509
Net Assets Released from Restriction	42,153	(42,153)	-	-
Total Operating Revenue	297,622	276	297,898	284,805
OPERATING EXPENSES				
Compensation and Benefits	187,940	-	187,940	172,376
Purchased Services and Supplies	82,256	-	82,256	79,602
Depreciation	29,106	-	29,106	27,757
Interest Expense	5,568	-	5,568	5,736
Total Operating Expenses	304,870	-	304,870	285,471
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(7,248)	276	(6,972)	(666)
NONOPERATING ACTIVITIES				
Investment Return, Net of Amount Designated for Current Operations	20,746	43,166	63,912	58,337
Gifts and Grants for Capital or Endowment	6,541	37,652	44,193	19,711
Change in Present Value of Split Interest Obligations	(360)	(1,684)	(2,044)	(1,170)
Net Actuarial (Loss) Gain on Postretiree Health Care Obligations	(1,638)	-	(1,638)	2,919
Net Periodic Benefit (Costs) Other than Service Costs	16,602	-	16,602	(3,003)
Other Losses	(215)	-	(215)	(1,894)
Net Assets Released from Restriction or whose Restrictions have Changed	(1,392)	1,392	-	-
Change in Net Assets, Nonoperating Activities	40,284	80,526	120,810	74,900
CHANGE IN NET ASSETS	33,036	80,802	113,838	74,234
Net Assets - Beginning of Year	618,226	843,053	1,461,279	1,387,045
NET ASSETS - END OF YEAR	<u>\$ 651,262</u>	<u>\$ 923,855</u>	<u>\$ 1,575,117</u>	<u>\$ 1,461,279</u>

See accompanying Notes to Consolidated Financial Statements.

Bucknell University
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED June 30, 2025
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 113,838	\$ 74,234
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Postretiree Losses (Gains) Other than Net Periodic Expense	1,638	(2,919)
Amortization of Net Bond Premium	1,911	(183)
Depreciation	29,106	27,757
Gain on Debt Defeasance	(248)	-
Loss on Disposal of Fixed Assets	84	359
Contributions Restricted for Long-Term Investment	(37,652)	(19,576)
Net Investment Appreciation	(108,108)	(104,605)
Changes in Assets and Liabilities:		
Inventories, Prepaid Expenses, and Other Assets	(1,009)	(2,195)
Accounts and Other Receivables	2,358	(1,360)
Accounts Payable and Other Liabilities	8,454	3,315
Postretirement Health Care	(16,606)	2,878
Net Cash Used by Operating Activities	<u>(6,234)</u>	<u>(22,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	579,546	709,580
Purchases of Investments	(560,958)	(637,953)
Loans and Notes Collected	91	146
Purchase of Property and Equipment	(42,085)	(59,832)
Net Cash (Used) Provided by Investing Activities	<u>(23,406)</u>	<u>11,941</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Long-Term Debt Obligations	(21,653)	(4,612)
Proceeds from New Debt	27,390	-
Receipts Under Annuity Liability Arrangements	2,395	1,001
Payments to Annuitants	(1,453)	(1,356)
Gifts and Grants Received for Capital or Endowment	29,175	18,727
Net Cash Provided by Financing Activities	<u>35,854</u>	<u>13,760</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,214	3,406
Cash and Cash Equivalents - Beginning of Year	<u>31,139</u>	<u>27,733</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 37,353</u></u>	<u><u>\$ 31,139</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Noncash Securities Donated	<u>\$ 4,098</u>	<u>\$ 3,840</u>
Interest Paid	<u>\$ 5,916</u>	<u>\$ 5,966</u>

See accompanying Notes to Consolidated Financial Statements.

Bucknell University
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bucknell University is a private, nonprofit institution of higher education in Lewisburg, Pennsylvania. Bucknell University provides education services at the graduate and undergraduate levels within its three Colleges: the College of Arts and Sciences, the College of Engineering, and the Freeman College of Management. These consolidated financial statements include Bucknell University, Bison Ventures, Inc., a wholly owned subsidiary formed in May 2009, and Bucknell Real Estate, Inc., a tax-exempt title holding company formed in October 2010 (collectively, the University). All significant intercompany balances have been eliminated in preparing these consolidated financial statements.

The significant accounting policies followed by the University are described below to enhance the usefulness of the consolidated financial statements to the reader.

Basis of Presentation

The consolidated financial statements of the University have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make certain estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

Financial reporting standards require that net assets, revenue, gains, and losses be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

With Donor Restriction – Net assets with donor restriction are subject to donor-imposed stipulations that they are either maintained in perpetuity or that they will be met either by actions of the University and/or the passage of time.

Without Donor Restriction – Net assets that are not subject to donor-imposed stipulations. A portion of these net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Revenue from sources other than contributions and investment returns on donor restricted endowments is reported as increases in net assets without donor restriction. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restriction to net assets without donor restriction.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
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Nonoperating activities include the following:

- Endowment investment income earned in excess of the University's spending policy,
- Gifts and grants restricted or designated for capital expenditures or long-term investment (e.g., endowment gifts),
- Split-interest agreements' net investment earnings and other gains or losses primarily related to annuity liabilities determined at net present value,
- Other gains or losses such as sale, exchange, disposal, or retirement of long-lived assets (e.g., property and equipment) or long-term liabilities (e.g., notes payable), and
- Actuarial gains or losses and net periodic benefit costs other than service costs of the postretirement health care plan.

Fair Value

The University accounts for its investments and funds held in trust by others at fair value; however, as permitted by GAAP, the University has not elected fair value accounting for any assets (accounts, loans, notes, and contributions receivable) or liabilities (long-term debt, postretirement health care obligations, and annuities payable) that are not otherwise required to be measured at fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy for fair value measurements is based on the transparency of inputs to the valuation of an asset or liability.

Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the University. Unobservable inputs reflect the University's view of assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. That information includes, but is not limited to, the recent audited financial statements of the respective alternative investment funds, financial information of underlying securities of the respective funds provided by the fund manager, and review of the performance data of similar funds or investments.

Each investment and funds held in trust by others are assigned a level based upon the observability of the inputs, which are significant to the overall valuation. The three-level hierarchy of inputs is summarized below:

Level 1 – Quoted or published prices in active markets for identical financial instruments.

Level 2 – Other significant observable inputs, including quoted prices for similar financial instruments, interest rates, credit spreads, etc.

Level 3 – Significant unobservable inputs. This category includes financial instruments whose fair value requires significant management judgment or estimation.

The University's policy is to recognize the transfers in or transfers out of Level 3 (or any other Level) on the date circumstances have changed or the defined event has occurred.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

In certain cases, the inputs to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which fair value level is based on the lowest level of input that is significant to the fair value measurement of the specific alternative investment fund or fund held in trust by others.

The classification of investments in the fair value levels described above is not necessarily an indication of the degree of risks, liquidity, or price volatility.

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with financial institutions and other highly liquid investments with original maturities of three months or less except those held for long-term investment purposes.

Investments

Investments are recorded at estimated fair value as described in Notes 1 and 3. Because certain investments are not readily marketable, their net asset value per share or equivalent has been used as a practical expedient to fair value and is subject to additional uncertainty. Therefore, values realized upon disposition may vary significantly from currently reported values.

The University's investments are exposed to various risks such as interest rate, market, and credit risks. Such risks, and the resulting investment fair values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amount reported in the consolidated statement of financial position.

With respect to investments that do not have a readily determinable fair value and for which it is industry practice for the investee to calculate and regularly report in its consolidated financial statements a net asset value per share (or its equivalent), the University, as a practical expedient, estimates fair value using the net asset value per share as reported by the investee. The University considers whether adjustment to the most recent net asset value per share is necessary if the net asset value per share obtained from the investee is not as of the University's consolidated financial statements date, if the University has plans to sell the investment in the short term, or if the investee's investment assets are not valued at fair value on a recurring basis.

Funds Held in Trust by Others

Funds held in trust by others are for the benefit of the University based on the terms of the irrevocable trusts. These funds are neither in the possession, nor under the control, of the University. Such terms provide that the University (a) is to receive annually the investment income earned by the funds that are held in trust, or (b) is to receive a remainder interest in the trust. The present values of the estimated future cash flows from the trust are recognized as assets and contribution income at the dates the trust is established. Investment income distributions from the trust are recorded as investment income and the carrying value of the assets is adjusted for the changes in the estimates of future receipts. Funds held in trust by others are carried at fair value as described in Notes 1 and 3.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

Property and Equipment

Property and equipment are stated at cost or at estimated fair value if acquired by gift, less accumulated depreciation. Depreciation of the University's property and equipment is computed using a straight-line method over 15 to 50 years for buildings and improvements and 3 to 10 years for equipment, furniture, fixtures, and library books. As permitted by generally accepted accounting principles, the University does not capitalize works of art, historical artifacts, and collectibles, which are principally acquired by donation.

Property and equipment, at cost, includes capitalized interest, when applicable. Interest is capitalized during the period required to ready the asset for its intended use, expenditures for the asset are being paid, and interest costs are incurred.

Split-Interest Agreements and Annuities Payable

The University's split-interest agreements with donors consist primarily of charitable gift annuities, life income funds, and charitable trusts for which the University serves as trustee. Principally all assets held in these trusts are included in investments. Contribution revenue is recognized at the date the trusts are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, changes in the estimated present value of future cash outflows, and other changes in the estimates of future benefits. The annuities payable represent the net present value of future cash outflows over the annuitant's life expectancy as required by the annuity agreements.

The University uses the applicable federal rate at the time of the gift as the basis for determining discount rates in recording annuity obligations at net present value for charitable gift annuities, life income funds, and charitable trusts for which the University serves as trustee. Discount rates for determining the net present value of annuities payable as of June 30, 2025 and 2024, ranged from 0.6% to 7.0%.

Advances from Federal Government for Student Loans

Funds provided by the U.S. government under the Federal Perkins Loan Program (Perkins) are loaned to qualified students and may be reloaned after collections. These funds, excluding University required matching funds to Perkins, are ultimately refundable to the U.S. government and are reported as a liability.

Debt – Original Issue Premium or Discount

A premium or discount (including the costs of issuance such as underwriting, bond rating, and legal) resulting from the issuance of long-term debt (typically the difference between the par amount of University Revenue Bonds and similar instruments versus the proceeds received) is amortized to interest expense over the life of the debt instrument using the interest rate method.

Revenue Recognition

Tuition and Fees

Student tuition and fees are recognized as revenue during the year the related academic services are rendered. Discounts in the form of scholarships and financial aid grants, including those funded by the endowment and gifts, are reported as a reduction of tuition and fee revenue.

Student tuition and fees received in advance of services to be rendered are categorized as deferred revenue. Deferred revenue amounts for tuition prepayment plans, student deposits, and summer terms are shown in Note 12.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

Auxiliary Enterprises

Auxiliary services furnish goods and services to students, faculty, staff, and in some cases, the general public. Fee charges are directly related to the cost of goods provided or services rendered and are recognized accordingly. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions.

Auxiliary enterprise revenues include activities for residence halls, dining services, athletics and the University bookstore. Over 95% of undergraduate students reside on campus and participate in a University provided dining plan. Student housing and dining charges are recognized as revenue during the academic year the services are rendered.

Contributions

A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists.

The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement.

Unconditional contributions of cash and other assets, including contributions receivable (unconditional promises to give) are recorded as revenue based upon any donor-imposed restrictions, on the date of the donor's commitment or gift. Noncash contributions are recorded at the estimated fair value at the date of the gift. Contribution's receivable are recorded at the estimated present value, net of an allowance for uncollectible amounts. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and reported in accordance with donor-imposed restrictions, if any. Allowance is made for uncollectible contributions based upon management's judgement and analysis of the creditworthiness of the donor(s), past collection experience, and other relevant factors.

Unconditional contributions restricted to the acquisition or construction of long-lived assets or subject to other time or purposed restrictions are reported as revenue with donor restriction. The donor-restricted net assets resulting from these contributions are released to net assets without donor restriction when the donor-imposed restrictions are met or the assets are placed in service. Contributions received for endowment investment are held in perpetuity and recorded as revenue with donor restrictions.

Grant Revenue

Grants and contracts awarded by federal and other sponsors are generally considered nonreciprocal transactions restricted by sponsors for certain purposes. Grant revenue is recognized when the conditions upon which it depends are substantially met, which primarily is when qualifying expenses or activities occur. As of June 30, 2025 and 2024, approximately \$5,500 and \$5,800, respectively, of conditional grant revenue will be recognized in future periods as the University incurs qualifying expenses.

Self-Insurance

The University is primarily self-insured for health care fringe benefits of active employees and under age 65 retirees. Certain claims in excess of maximum amounts on a per claim and aggregate claim basis are insured under stop loss policies. The University includes a liability in accounts payable and accrued expenses for unpaid claims and an estimate for claims incurred but not reported.

BUCKNELL UNIVERSITY
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Tax Status

Bucknell University, recognized by the Internal Revenue Service as a nonprofit educational institution, qualifies under Section 501(c)(3) of the Internal Revenue Code and thus is exempt from federal income tax on activities related to its exempt purpose. Bison Ventures, Inc., a wholly owned for-profit, taxable subsidiary, operates a bookstore in Lewisburg, Pennsylvania. Bucknell Real Estate, Inc., a title holding company formed for the benefit of Bucknell University, qualifies under Section 501(c)(2) of the Internal Revenue Code and thus is exempt from federal income tax on activities related to its exempt purpose.

The University records income tax liabilities and assets using a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The University does not believe that there are any unrecognized tax benefits or costs that should be recorded in the consolidated financial statements. The University is subject to routine audits by taxing jurisdictions and provision for audit adjustments, if any, is included in the consolidated financial statements when estimable.

Prior Year Comparative Information

The consolidated financial statements include certain prior year comparative information summarized in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's audited consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through October 22, 2025, the date the consolidated financial statements were issued and identified the activity listed below.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
(IN THOUSANDS)

NOTE 2 RECEIVABLES

Accounts, Loans, and Notes Receivable

Accounts, loans, and notes receivable as of June 30 consist of the following:

	2025	2024
Accounts and Other Receivables:		
Students	\$ 1,175	\$ 1,082
Other	942	1,534
Less: Allowance for Credit Losses	(465)	(598)
Subtotal	1,652	2,018
Accrued Grants and Contracts Revenue	2,315	4,316
Total	<u>\$ 3,967</u>	<u>\$ 6,334</u>
Loans and Notes Receivable:		
Student Loans	\$ 389	\$ 479
Employee Loans	284	287
Less: Allowance for Credit Losses	(125)	(136)
Total	<u>\$ 548</u>	<u>\$ 630</u>

At June 30, 2025 and 2024, respectively, the balance of the contract assets included in accounts and other receivables for students on the consolidated statements of financial position was \$1,175 and \$1,082. At the beginning of 2024, the balance of contract assets was \$1,457.

Contributions Receivable

The net present value of contributions receivable as of June 30 is as follows:

	2025	2024
Unconditional Promises Expected to be Collected:		
One Year or Less	\$ 3,367	\$ 3,696
Over One Year to Five Years	19,847	8,031
Over Five Years	1,255	9,650
Subtotal	24,469	21,377
Less: Allowance for Uncollectible Contributions	(1,523)	(2,810)
Total Contributions Receivable	<u>\$ 22,946</u>	<u>\$ 18,567</u>

Contributions receivable are recorded at estimated fair value on the date the donor's unconditional promise to contribute is made using the present value of future cash flows. Contributions receivable are not measured at fair value subsequent to the initial measurement because the discount rate selected for each contribution receivable remains constant over time.

Discount rates used to determine net present values of contributions receivable as of June 30, 2025 and 2024, ranged from 1.4% to 8.7%. The discount to present value amounted to approximately \$8,717 and \$10,579 at June 30, 2025 and 2024, respectively.

BUCKNELL UNIVERSITY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2024)
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NOTE 3 INVESTMENTS AND FUNDS HELD IN TRUST BY OTHERS

Investment Fair Value Accounting and Reporting

The following tables present fair value information at June 30 of the University's investments and funds held in trust by others:

	2025				
	Level 1	Level 2	Level 3	NAV	Total
Short-Term Investments	\$ 15,851	\$ -	\$ -	\$ -	\$ 15,851
Fixed Income	105,674	-	-	-	105,674
Public Equity	190,607	-	-	-	190,607
Commingled Equity	-	-	-	260,910	260,910
Alternative Strategies	-	-	-	122,738	122,738
Real Estate	-	-	-	118,976	118,976
Private Credit	-	-	-	109,391	109,391
Private Equity	-	-	2,028	378,460	380,488
Other	-	-	171	-	171
Total Investments	<u>\$ 312,132</u>	<u>\$ -</u>	<u>\$ 2,199</u>	<u>\$ 990,475</u>	<u>\$ 1,304,806</u>
Funds Held in Trust by Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,417</u>	<u>\$ -</u>	<u>\$ 9,417</u>

	2024				
	Level 1	Level 2	Level 3	NAV	Total
Short-Term Investments	\$ 29,473	\$ -	\$ -	\$ -	\$ 29,473
Fixed Income	107,493	251	-	-	107,744
Public Equity	116,916	-	-	-	116,916
Commingled Equity	-	-	-	294,614	294,614
Alternative Strategies	-	-	-	96,521	96,521
Real Estate	-	-	-	113,643	113,643
Private Credit	-	-	-	105,151	105,151
Private Equity	-	-	3,068	341,828	344,896
Other	-	-	479	-	479
Total Investments	<u>\$ 253,882</u>	<u>\$ 251</u>	<u>\$ 3,547</u>	<u>\$ 951,757</u>	<u>\$ 1,209,437</u>
Funds Held in Trust by Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,098</u>	<u>\$ -</u>	<u>\$ 9,098</u>

Investments reported at net asset value (NAV), as described in Note 1, are excluded from the three-level hierarchy. The University has used an estimate of fair value of commingled equity funds and alternative investments based on the net asset value per share of the respective investment fund. These investments are redeemable, generally at each month-end, calendar quarter-end or anniversary date, at net asset value, under the terms of the underlying investment agreements or subscription documents. However, it is possible that these redemption rights may be restricted in the future. At June 30, 2025 and 2024, \$88,604 and \$94,412, respectively, of certain redeemable alternative funds were restricted from redemption due to limitation placed by the investment fund managers such as stated lock-up periods or due to investment funds that segregate certain underlying assets as currently nonredeemable (e.g., side pocket investments).

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Private equity, real estate, and private credit investments generally are not redeemable at net asset value until the underlying partnership or limited liability corporation dissolves or the underlying investments of the vehicle are sold. The expected remaining lives for these private investments range from one to fifteen years. Most of the underlying investments in these private investments are ownership interests in closely held companies or assets and are not readily marketable. Although a secondary market may exist from time to time for private funds, individual transactions are typically not observable. When such secondary market transactions do occur, they may occur at amounts that differ from the reported net asset value. It is therefore, reasonably possible that if the University were to sell these investments in the secondary market, buyers may require a discount to the reported fair value and the discount could be significant.

The University has commitments to various limited partnerships. Outstanding commitments at June 30 are displayed as follows:

	2025	2024
Real Estate	\$ 54,842	\$ 38,663
Private Credit	55,988	74,789
Private Equity	179,962	192,122
Total	<u>\$ 290,792</u>	<u>\$ 305,574</u>

The following tables present a reconciliation of investments in which significant unobservable inputs (Level 3) were used to determine fair value:

	2025				
	Balance - Beginning of Year	Acquisitions or Purchases	Sales, Redemptions, or Distributions	Net Appreciation (Depreciation)	Balance - End of Year
Investments:					
Private Equity	\$ 3,068	\$ -	\$ (242)	\$ (798)	\$ 2,028
Other Investments	479	-	(317)	9	171
Funds Held in Trust by Others	9,098	51	(323)	591	9,417

	2024				
	Balance - Beginning of Year	Acquisitions or Purchases	Sales, Redemptions, or Distributions	Net Appreciation (Depreciation)	Balance - End of Year
Investments:					
Private Equity	\$ 2,752	\$ -	\$ (167)	\$ 483	\$ 3,068
Other Investments	424	-	-	55	479
Funds Held in Trust by Others	9,041	-	(827)	884	9,098

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Purposes and Designations

The following is a summary of the purpose or designation of investments and funds held in trust by others at June 30:

	2025			
	Funds			
	Investments	Held in Trust by Others	Total	2024
Endowment	\$ 1,256,025	\$ 7,293	\$ 1,263,318	\$ 1,167,275
Split Interest	25,806	2,124	27,930	22,936
Held for Capital Projects	11,074	-	11,074	6,631
Operations	11,901	-	11,901	21,693
Total	<u>\$ 1,304,806</u>	<u>\$ 9,417</u>	<u>\$ 1,314,223</u>	<u>\$ 1,218,535</u>

Additional Investment and Investment Income Information

Unless precluded by donor restriction, endowment funds are pooled and collectively managed on a unitized basis. Each individual endowment fund subscribes to or disposes of units in the pool using the estimated fair value at the end of the preceding quarter such subscription or disposition occurs.

Net appreciation includes unrealized and realized gains and losses on specific investment securities owned by the University as well as the University's share of net investment return on mutual funds, private funds, redeemable alternative funds, and net appreciation or depreciation of funds held in trust by others.

Investment expenses include those investment custody fees, internal and external investment advisory costs, and investment management fees incurred for services rendered for the sole benefit of the University. Investment expenses incurred directly by mutual funds and alternative investment funds that are contracted by the respective fund managers are included in the University's share of the respective fund's net investment return and are not reported separately as investment expenses by the University.

Investment income is presented in the consolidated statement of activities as follows:

	2025	2024
Endowment Return Available for Operations	\$ 50,972	\$ 50,556
Endowment Investment Income and Net Appreciation	112,521	106,746
Endowment Income Withdrawn for Operations	(50,972)	(50,556)
Net Endowment Income Provided	61,549	56,190
Other Gains - Principally Related to Split-Interest Agreements	2,363	2,147
Net Investment Income - Nonoperating	63,912	58,337
Total Investment Return	<u>\$ 114,884</u>	<u>\$ 108,893</u>

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Endowment Accounting and Reporting

The University's endowment consists of individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law Regarding Donor Endowments and Spending Policy

The Board of Trustees has interpreted Commonwealth of Pennsylvania law as requiring donor-restricted endowments, absent explicit donor stipulations to the contrary, to be managed with the long-term objective of at least maintaining the real value (after inflation) of the funds. Unless otherwise stated in the gift instruments, the assets in an endowment fund are donor-restricted until appropriated for expenditure in a manner consistent with the standard of prudence described in relevant law.

Commonwealth of Pennsylvania law permits the University to allocate to income each year a portion of endowment net realized gains based on a minimum of 2% and a maximum of 7% of a three-year or more moving average of the market value of the endowed assets. Unless the terms of a gift instrument state otherwise, accumulated endowment net realized gains may, therefore, eventually be spent over time by the University. As a result, net appreciation of donor endowments is recorded in the financial statements as net assets with donor restriction.

The University's endowment spending policy allows for the spending of pooled endowment earnings determined at 4.5% of a 12-quarter moving average of the fair value of pooled assets. Should the determined spendable amount not provide for a 2.0% increment over the previous fiscal year spendable amount, the determined amount may be further adjusted to the 2.0% incremental level, but not exceeding 4.5% of the 12-quarter moving average of the fair value of pooled assets. In accordance with this policy, the rate for each of the years ended June 30, 2025 and 2024, was 4.5% and 4.75%, respectively, of the applicable 12-quarter moving average of the fair value of pooled endowment assets.

Summary of Endowment Balances and Activity by Net Asset Classification

Endowment net assets consisted of the following at June 30:

	2025		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowments	\$ -	\$ 847,090	\$ 847,090
Board-Designated Endowments	416,228	-	416,228
Total Endowment Net Assets	<u>\$ 416,228</u>	<u>\$ 847,090</u>	<u>\$ 1,263,318</u>
	2024		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowments	\$ -	\$ 779,400	\$ 779,400
Board-Designated Endowments	387,875	-	387,875
Total Endowment Net Assets	<u>\$ 387,875</u>	<u>\$ 779,400</u>	<u>\$ 1,167,275</u>

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	<u>2025</u>	<u>2024</u>
Net Endowment Assets with Donor Restriction:		
Endowments Restricted by Donor in Perpetuity	\$ 460,918	\$ 433,736
Endowments Restricted by Donor that Permit, with Restrictions, Future Expenditure	8,820	8,387
Accumulated Investment Gains on Donor-Restricted Endowments	<u>377,352</u>	<u>337,277</u>
Total	<u>\$ 847,090</u>	<u>\$ 779,400</u>

Changes in endowment net assets for the years ended June 30 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment Net Assets -			
June 30, 2023	\$ 368,392	\$ 719,875	\$ 1,088,267
Contributions Received	91	21,320	21,411
Proceeds from Expired Split-Interest Agreements	-	1,085	1,085
Transfers	<u>322</u>	<u>-</u>	<u>322</u>
Subtotal	413	22,405	22,818
Investment Return	40,733	66,013	106,746
Endowment Spending Distributions	<u>(21,663)</u>	<u>(28,893)</u>	<u>(50,556)</u>
Endowment Net Assets -			
June 30, 2024	387,875	779,400	1,167,275
Contributions Received	6,419	26,502	32,921
Proceeds from Expired Split-Interest Agreements	-	361	361
Transfers	<u>1,212</u>	<u>-</u>	<u>1,212</u>
Subtotal	7,631	26,863	34,494
Investment Return	42,216	70,305	112,521
Endowment Spending Distributions	<u>(21,494)</u>	<u>(29,478)</u>	<u>(50,972)</u>
Endowment Net Assets -			
June 30, 2025	<u>\$ 416,228</u>	<u>\$ 847,090</u>	<u>\$ 1,263,318</u>

Donor Endowment Funds with Fair Values Less than Contributed Value

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level of the original value of gifts donated. Deficiencies of this nature that are reported in net assets with donor restriction were \$13 and \$159 as of June 30, 2025 and 2024, respectively. Subsequent gains that restore the fair value of the assets of the endowment fund to the original value will be classified as an increase in net assets with donor restriction.

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Endowment Investment Return Objectives and Risk Parameters

The University has adopted investment and spending policies for its endowment assets that aim to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organizations must hold in perpetuity or for a donor-specified period, as well as board-designated funds. The long-term return objective, as approved by the Board of Trustees, is to produce an inflation-adjusted rate of return measured over rolling 10-year periods that exceeds the endowment spending policy. The University maintains a diversified asset allocation that places emphasis on generating an acceptable level of return given a prudent level of risk.

Risk may take the form of investment concentration, volatility, illiquidity, or other dimensions, and is monitored to ensure the incremental risks are appropriate for the given level of incremental returns.

To satisfy its long-term rate-of-return objectives the University utilizes a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that is divided into four asset groups: growth, hybrid, real estate, and low-volatility assets. Growth assets (principally publicly traded equity securities and mutual funds and certain private alternative investment funds) are intended to produce equity-like returns, while hybrid assets (principally redeemable alternative investment funds) are meant to produce returns that are less correlated with growth assets. Real estate assets (principally private real estate funds) are expected to provide both current income and capital appreciation. Lastly, low-volatility assets (principally fixed-income investments) should produce modest returns in most environments and provide stability for the endowment.

The ranges for these asset classes, as approved by the Board of Trustees in February 2024, are as follows:

	<u>Range</u>
Growth Assets	60% to 68%
Hybrid Assets	14% to 22%
Real Estate Assets	6% to 14%
Low-Volatility Assets	4% to 12%

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NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and equipment as of June 30 are summarized as follows:

	2025	2024
Land	\$ 5,325	\$ 5,325
Buildings and Improvements	731,377	694,176
Equipment, Furniture, and Fixtures	152,911	150,055
Library Books and Materials	51,063	51,045
Construction in Progress	37,167	34,534
Total	<u>977,843</u>	<u>935,135</u>
Less Accumulated Depreciation:		
Buildings and Improvements	312,496	289,184
Equipment, Furniture, and Fixtures	136,601	134,131
Library Books and Materials	50,533	50,365
Property and Equipment, Net	<u>\$ 478,213</u>	<u>\$ 461,455</u>

NOTE 5 LONG-TERM DEBT

The table below summarizes long-term debt obligations as of June 30:

	2025	2024
Note Payable, 2.7%, Final Maturity 2033	\$ 390	\$ 434
Note Payable, 3.12%, Final Maturity 2050	35,630	36,560
Total Notes Payable	36,020	36,994
Union County Higher Education Facilities Financing Authority:		
Tax-Exempt Revenue Bonds:		
Series 2015A, 2.55%, Final Maturity February 1, 2045	22,600	23,420
Series 2015B, 3.0% to 5.0%, Final Maturity April 1, 2033	-	18,650
Series 2020, 2.465%, Final Maturity April 1, 2042	25,860	27,070
Series 2024A, 5.00%, Final Maturity April 1, 2035	11,425	-
Series 2025A, 5.00%, Final Maturity April 1, 2033	15,965	-
Taxable Revenue Bonds:		
Series 2015C, 4.9% to 5.0%, Final Maturity April 1, 2045	50,000	50,000
Total University Revenue Bonds		
Outstanding - Principal	125,850	119,140
Total Bonds and Notes Payable	161,870	156,134
Unamortized Bond Premium and Issue Costs, Net	1,937	273
Total Long-Term Debt, Net	<u>\$ 163,807</u>	<u>\$ 156,407</u>

The original premium (discount), which includes debt issuance costs, is amortized to interest expense over the term of the bonds using the interest rate method.

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Bonds Payable

The University Revenue Bonds unless otherwise noted as taxable, are subject to Internal Revenue Code requirements to ensure interest paid to bondholders by the University qualifies as interest exempt from federal income tax.

In 2015, the University entered into various agreements with the Authority that provided issuance of the following University Revenue Bonds: Series 2015A, Series 2015B, and Series 2015C (taxable). The Series 2015 A, B, and C bonds were issued to finance the cost of student housing, academic, and other building construction and renovations.

The Series 2015A bond, issued in January 2015, was purchased by a financial institution and is callable at the purchaser's option, at par, on February 1, 2035. In January 2020, the interest rate was modified from 2.9% to 2.55%. The original principal amount of \$25,000, as well as all other terms and conditions of the original agreement, remain unchanged.

In June 2020, the University entered into various agreements with the Authority that provided for the issuance of \$29,400 University Revenue Bonds, Series 2020 (taxable). The proceeds of the bonds were used to advance refund the Series 2012A Bonds and pay bond issue costs. The Series 2020 taxable Bonds contain a provision allowing the conversion to tax-exempt bonds at an equivalent rate of 2.465% which was elected on January 15, 2022.

In July 2024, the University entered into an agreement with the Authority that provided for the issuance of the \$11,425 Series 2024A University Revenue Bonds. The proceeds of these bonds were used to partially finance the construction of student housing as well as the costs of issuance. These proceeds were drawn down in full as of June 30, 2025.

In February 2025, the University entered into an agreement with the Authority that provided for the issuance of the \$15,965 Series 2025A University Revenue Bonds. The proceeds of the bonds were used to refund the Series 2015B bonds and pay related bond issuance costs.

Note Payable

In December 2009, the University entered into a loan agreement with the Borough of Lewisburg, Pennsylvania. The loan bears interest at 2.7%, requires annual debt service payments of \$55, and matures in 2033.

In June 2020, the University entered into a loan agreement with a financial institution. The loan bears interest at 3.12% and matures in 2050. The proceeds are to be used to finance capital projects and for general corporate purposes.

Future Principal Maturities

Principal maturities of bonds and notes payable, exclusive of net premium, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 5,019
2027	5,196
2028	5,392
2029	5,593
2030	5,799
Thereafter	134,871
Total	<u>\$ 161,870</u>

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Line of Credit

In April 2025, the University restructured its existing line-of-credit arrangement increasing the amount from \$30,000 to \$50,000. This short-term borrowing facility is renewable annually and carries an interest rate on outstanding borrowings of the one-month Secured Overnight Financing Rate or SOFR plus a margin of 1.25% (approximately 5.70% and 5.33% at June 30, 2025 and 2024, respectively). No amounts were borrowed under this facility during the years ended June 30, 2025 and 2024.

In December 2024, the University entered into a secured margin line of credit. The maximum amount of this line of credit is \$50,000 and the interest rate on outstanding borrowings is either (i) short-term fixed interest rates based upon one-month or three-month term SOFR rates (4.45% and 4.34% respectively, as of June 30, 2025) or (ii) floating rates of interest based upon one-month SOFR plus a margin of 125 (1.25%) basis points. The underlying secured assets pledged on this line of credit are designated endowment accounts. This line of credit is only to be used for the endowment and not operations. No amounts were borrowed under this facility during the year ended June 30, 2025.

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NOTE 6 COMPOSITION OF NET ASSETS

	2025				
	Without Donor Restriction	With Donor Restriction		Total	2024
		Appreciation or Time	Perpetual		
Endowment Funds:					
Scholarships and Financial Aid	\$ 28,407	\$ 168,611	\$ 260,212	\$ 457,230	\$ 412,887
Instruction and Academic Programs	11,987	94,704	132,373	239,064	219,524
Library and Related Services	9	73,398	7,780	81,187	77,202
Facilities and Capital Improvements	13,809	16,811	7,359	37,979	36,018
Athletics	600	6,848	23,668	31,116	28,780
Other University Activities	361,416	25,800	29,526	416,742	392,864
Total Endowment Funds	416,228	386,172	460,918	1,263,318	1,167,275
Contributions Receivable Restricted for:					
Donor Endowments	-	-	13,736	13,736	13,242
Other University Purposes	-	9,210	-	9,210	5,325
Total	-	9,210	13,736	22,946	18,567
Split-Interest Agreements	747	2,777	8,095	11,619	9,262
Other Net Assets	234,287	42,132	815	277,234	266,175
Total Net Assets	\$ 651,262	\$ 440,291	\$ 483,564	\$ 1,575,117	\$ 1,461,279

NOTE 7 DEFINED CONTRIBUTION RETIREMENT PLAN

Retirement benefits for faculty and staff provided under the University's defined contribution retirement program are administered by TIAA. The University's policy is to pay its share of contributions (which is 10% of eligible salaries and wages) to the plan each month; there are no unfunded benefits. University contributions to the plan were \$11,333 and \$10,476 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 POSTRETIREMENT HEALTH CARE BENEFITS

Certain current and former employees are covered by a postretirement health care plan. The University accrues the cost of these postretirement benefits over the employee's service period. Participants must have 15 years of continuous service after the later of: (a) age 47, or (b) date of hire to be eligible for postretirement health care benefits. Those benefits are limited per participant to a multiple of calendar year 2006 health care premiums. Furthermore, most participants retiring after September 1, 2006, are required to contribute up to 20% of retiree health care premiums. The percent of retiree co-payment is based on the participant's annual salary at the time of retirement.

Beginning January 1, 2026, Bucknell's contribution to the monthly plan premium for Medicare supplemental and Medicare Advantage plans will be limited to a maximum of \$350 per month per individual. The pre-65 plan will not be subject to the contribution limit.

On July 1, 2025, the University began phasing out the postretirement health care plan. Employees who are hired on or after July 1, 2025, will not be eligible for retiree supplemental healthcare insurance. The plan amendment will no longer accept new enrollees after June 30, 2040. To minimize the impact to the retirement planning of current employees who are eligible to retire before June 30, 2040, this benefit will be gradually reduced over the next fifteen years. Current employees who are not eligible to retire until on or after July 1, 2040, will not be eligible for this benefit.

The following 2025 information takes into consideration these plan amendments.

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The following table sets forth the plan's funded status and amounts recognized in the University's consolidated statement of financial position at June 30:

	2025	2024
Change in Benefit Obligation During the Year:		
Benefit Obligation - Beginning of Year	\$ 63,093	\$ 63,134
Service Cost	3,155	3,125
Interest Cost	3,244	3,003
Plan Amendment	(19,846)	-
Benefit Payments	(3,159)	(3,250)
Actuarial Gain	1,638	(2,919)
Benefit Obligation - End of Year	<u>\$ 48,125</u>	<u>\$ 63,093</u>
Change in Plan Assets During the Year:		
Fair Value of Plan Assets - Beginning of Year	\$ -	\$ -
Employer Contributions	3,159	3,250
Benefit Payments	(3,159)	(3,250)
Fair Value of Plan Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>
Net Periodic Benefit Cost Recognized for the Year:		
Operating Expense:		
Service Cost	\$ 3,155	\$ 3,125
Nonoperating Expense:		
Interest Cost	3,244	3,003
Amortization of prior service cost	563	563
Amortization of net (gain)/loss	(2,356)	(2,285)
Total Periodic Benefit Costs	<u>\$ 4,606</u>	<u>\$ 4,406</u>

The following table sets forth the assumptions used in determining the plan's funded status and the amounts recognized in the University's consolidated financial statements at June 30:

	2025	2024
Weighted Average Assumptions for the Year:		
Discount Rate	5.28%	4.87%
Initial Health Care Cost Trend Rate	7.00%	6.00%
Ultimate Health Care Cost Trend Rate	5.00%	5.00%
Years Remaining to Attain Ultimate Health Care Trend Rate	3	3
Weighted Average Assumptions at Year-End:		
Discount Rate	5.24%	5.28%
Initial Health Care Cost Trend Rate	8.00%	7.00%
Ultimate Health Care Cost Trend Rate	5.00%	5.00%
Years Remaining to Attain Ultimate Health Care Trend Rate	6	3
Measurement Date	June 30	June 30
Mortality Table	PRI-2012 White Collar Scale MP-2021	PRI-2012 White Collar Scale MP-2021

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The expected cash outflow information for fiscal years ending after June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 3,456
2027	3,639
2028	3,491
2029	3,740
2030	3,799
2031 to 2035	20,870
Total	<u>\$ 38,995</u>

Additionally, the following items recognized during the years ended June 30 are presented in the consolidated statement of activities as nonoperating activities:

	<u>2025</u>	<u>2024</u>
Nonoperating Activities:		
Net Actuarial (Loss) Gain during the Year	\$ (1,638)	\$ 2,919
Prior period service cost	19,846	-
Amortization of prior service cost	563	563
Amortization of actuarial gains	<u>(2,356)</u>	<u>(2,285)</u>
Total Nonoperating Gain Activities		
Related to Retiree Health Care	<u>\$ 16,415</u>	<u>\$ 1,197</u>

Amounts recognized in net assets without donor restriction in the consolidated statement of financial position include the following as of June 30:

	<u>2025</u>	<u>2024</u>
Prior Period Service Benefit (Cost)	\$ 15,907	\$ (4,502)
Unrecognized Actuarial Gain	23,519	27,514
	<u>\$ 39,426</u>	<u>\$ 23,012</u>

NOTE 9 COMMITMENT AND CONTINGENCIES

The University has a contingent liability as guarantor of a portion of certain faculty and administrative employees' mortgages and loans. The portion of these outstanding mortgages and loans that is being guaranteed by the University amounts to \$662 and \$730 at June 30, 2025 and 2024, respectively. No guaranteed mortgages were in default as of June 30, 2025 and 2024.

Amounts received and expended by the University under various federal and state programs are subject to audit by governmental entities. In the opinion of management, audit adjustments, if any, will not have a significant effect on the consolidated financial position of the University.

The University is obligated for certain future payments under construction and similar agreements of approximately \$10,977 at June 30, 2025.

The University is party to various litigation and other claims in the ordinary course of business. It is the opinion of management, as advised by legal counsel, that these matters will not have a material effect on the financial statements of the University.

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NOTE 10 RELATED-PARTY TRANSACTIONS

The President of the University serves on the board of directors, serving as chair through December 2023, of a health care system providing certain health insurance services and other health care services to the University. Amounts paid to the health care organization and its affiliates for these services totaled \$1,926 and \$3,546 for the years ended June 30, 2025 and 2024 respectively.

In addition, the University and the health care system engage in certain programs whereby the University's faculty, staff and students, with the health care system's physicians and researchers, participate in academic and research endeavors consistent with the University's mission.

Members of the University's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees can participate in any decision in which he or she has a material financial interest. For members of the Board of Trustees and senior management, the University requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the University. When such relationships are known to exist, measures are taken to address the actual or perceived conflict to protect the best interests of the University and ensure compliance with relevant conflict of interest laws or policy.

NOTE 11 OPERATING EXPENSES

The composition of operating expenses by natural and functional classification for the years ended June 30 is as follows:

	2025						
	Programs				Institutional Support		
	Academic and Educational	Student Services	Research and Public Service	Auxiliary	Administration	Fundraising	Total
Compensation and Benefits	\$ 109,846	\$31,140	\$ 2,321	\$ 8,323	\$ 25,005	\$ 11,305	\$187,940
Purchased Services and Supplies	26,501	19,417	2,272	18,650	10,810	4,606	82,256
Depreciation	10,990	5,841	-	11,188	696	391	29,106
Interest on Indebtedness	564	288	-	2,777	1,939	-	5,568
Total	<u>\$ 147,901</u>	<u>\$56,686</u>	<u>\$ 4,593</u>	<u>\$40,938</u>	<u>\$ 38,450</u>	<u>\$ 16,302</u>	<u>\$304,870</u>
Net Periodic (Benefit) Costs Reported in Nonoperating Activities	<u>\$ (9,908)</u>	<u>\$ (2,751)</u>	<u>\$ -</u>	<u>\$ (735)</u>	<u>\$ (2,209)</u>	<u>\$ (999)</u>	<u>\$ (16,602)</u>

	2024						
	Programs				Institutional Support		
	Academic and Educational	Student Services	Research and Public Service	Auxiliary	Administration	Fundraising	Total
Compensation and Benefits	\$ 102,470	\$28,745	\$ 2,477	\$ 8,026	\$ 20,611	\$ 10,047	\$172,376
Purchased Services and Supplies	23,962	19,084	2,463	16,571	13,699	3,823	79,602
Depreciation	10,512	5,554	-	10,638	662	391	27,757
Interest on Indebtedness	860	220	-	2,906	1,750	-	5,736
Total	<u>\$ 137,804</u>	<u>\$53,603</u>	<u>\$ 4,940</u>	<u>\$38,141</u>	<u>\$ 36,722</u>	<u>\$ 14,261</u>	<u>\$285,471</u>
Net Periodic Benefit Costs Reported in Nonoperating Activities	<u>\$ 1,828</u>	<u>\$ 501</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 359</u>	<u>\$ 175</u>	<u>\$ 3,003</u>

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NOTE 12 REVENUE FROM CONTRACTS WITH STUDENTS

Net Tuition Revenue

Revenue from contracts with customers comprises revenue from students for tuition, fees, housing, and meal plans. For purposes of reporting on revenue from contracts with customers under U.S. GAAP, the University refers to customers as students. Transaction prices are based on a standard University fee schedule. In some cases, transaction price for tuition is reduced by tuition discounts in the form of institutional financial aid awards that vary by student based on merit, need, or other qualifications. Revenue is recognized and presented in the consolidated financial statements net of any such tuition discounts.

The composition of net tuition revenue for June 30 is as follows:

	2025	2024
Tuition and Fees	\$ 258,058	\$ 243,697
Less: Scholarship Discounts	(97,040)	(90,792)
Net Tuition and Fees	<u>\$ 161,018</u>	<u>\$ 152,905</u>
Auxiliary Revenues:		
Campus Housing	\$ 34,922	\$ 33,272
Student Meal Plans	13,257	12,072
Total Auxiliary Revenue from Students	<u>\$ 48,179</u>	<u>\$ 45,344</u>

Deferred Revenue and Student Deposits

Contract liabilities arise when payment is received in advance of the satisfaction of performance obligations. The University had contract liabilities to students, reported as deferred revenue, comprising of deposits and prepayments for future academic terms and services for which performance obligations have not yet been satisfied.

The activity and balances of contract liabilities are shown in the following table.

	Tuition, Fees, Housing, and Meals	Grants and Contracts	Other	Total
Balance at June 30, 2023	\$ 2,283	\$ 1,207	\$ 1,394	\$ 4,884
Revenue Recognized	(2,283)	(122)	(1,394)	(3,799)
Amounts Received for Future Performance Obligations	2,309	-	260	2,569
Balance at June 30, 2024	2,309	1,085	260	3,654
Revenue Recognized	(2,309)	(747)	(260)	(3,316)
Amounts Received for Future Performance Obligations	2,436	-	3,473	5,909
Balance at June 30, 2025	<u>\$ 2,436</u>	<u>\$ 338</u>	<u>\$ 3,473</u>	<u>\$ 6,247</u>

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NOTE 13 LIQUIDITY AND AVAILABLE RESOURCES

The University's cash flows have seasonal variations related to the timing of tuition billings, receipt of gifts and pledge payments, and transfers from the endowment. The University actively manages its resources to be available to fund general expenditures, such as operating expenses, interest and principal payments on debt, and internally funded capital construction as they become due. Cash and investments in excess of immediate requirements are invested in short-term investments such as interest-bearing accounts, fixed income mutual funds, and U.S. Government Treasury and Agency bills and bonds. As further described in Note 5, the University has a line of credit in place of \$50,000 (no amounts borrowed at June 30, 2025) to further supplement cash flows, if necessary. As of June 30, existing financial assets and liquidity resources available within one year were as follows:

	<u>2025</u>	<u>2024</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 37,353	\$ 31,139
Accounts and Other Receivables, Net	3,967	6,334
Investments	<u>22,975</u>	<u>28,324</u>
Total Financial Assets Available within One Year	64,295	65,797
Liquidity Resources:		
Endowment Payout for Use over the Next 12 Months	51,916	50,689
Unsecured Line of Credit	<u>50,000</u>	<u>30,000</u>
Total Financial Assets and Liquidity Resources Available within One Year	<u>\$ 166,211</u>	<u>\$ 146,486</u>



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