# BUCKNELL UNIVERSITY

## CONSOLIDATED FINANCIAL STATEMENTS

## YEAR ENDED JUNE 30, 2026
## (WITH SUMMARIZED COMPARATIVE INFORMATION AS OF JUNE 30, 2025)



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**BUCKNELL UNIVERSITY**
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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 consolidated financial statements of Bucknell University and its subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2026, 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Bucknell University and its subsidiaries as of June 30, 2026, 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 within one year after the date that the consolidated financial statements are issued.

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***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.

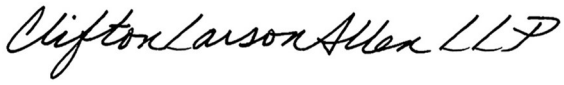
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bucknell University and its subsidiaries' ability to continue as a going concern for a reasonable period of time.

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' 2025 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania
October 26, 2026

**BUCKNELL UNIVERSITY**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**JUNE 30, 2026**
**(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF JUNE 30, 2025)**
**(IN THOUSANDS)**

| | 2026 | 2025 |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 30,545 | $ 37,353 |
| Inventories, Prepaid Expenses, and Other Assets | 7,383 | 7,533 |
| Accounts and Other Receivables, Net | 5,611 | 3,967 |
| Contributions Receivable, Net | 37,926 | 22,946 |
| Loans and Notes Receivable, Net | 485 | 548 |
| Investments | 1,483,510 | 1,304,806 |
| Funds Held in Trust by Others | 10,423 | 9,417 |
| Funds Held by Bond Trustee | 30,035 | - |
| Property and Equipment, Net | 471,842 | 478,213 |
| Total Assets | $ 2,077,760 | $ 1,864,783 |
| **LIABILITIES AND NET ASSETS** | | |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Expenses | $ 49,571 | $ 50,061 |
| Deferred Revenue and Student Deposits | 7,631 | 6,247 |
| Funds Held for the Accounts of Others | 5,239 | 5,012 |
| Postretirement Health Care | 48,916 | 48,125 |
| Annuities Payable | 16,226 | 15,802 |
| Advances from Federal Government | 261 | 612 |
| Long-Term Debt | 188,217 | 163,807 |
| Total Liabilities | 316,061 | 289,666 |
| **NET ASSETS** | | |
| Without Donor Restriction | 668,634 | 651,262 |
| With Donor Restriction | 1,093,065 | 923,855 |
| Total Net Assets | 1,761,699 | 1,575,117 |
| Total Liabilities and Net Assets | $ 2,077,760 | $ 1,864,783 |

*See accompanying Notes to Consolidated Financial Statements.*

# BUCKNELL UNIVERSITY
# CONSOLIDATED STATEMENT OF ACTIVITIES
# YEAR ENDED JUNE 30, 2026
## (WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2025)
## (IN THOUSANDS)

| | 2026 | | | |
|---|---|---|---|---|
| | Without Donor Restriction | With Donor Restriction | Total | 2025 |
| **OPERATING REVENUE** | | | | |
| Net Tuition | $ 163,374 | $ - | $ 163,374 | $ 160,361 |
| Sales and Services of Auxiliary Enterprises | 52,214 | - | 52,214 | 49,935 |
| Grants and Contracts | 5,785 | - | 5,785 | 5,703 |
| Gifts and Contributions | 3,671 | 14,869 | 18,540 | 15,143 |
| Interest Income | 3,286 | - | 3,286 | 5,176 |
| Net Investment Income | 21,102 | 31,271 | 52,373 | 50,972 |
| Other | 9,426 | - | 9,426 | 10,608 |
| Net Assets Released from Restriction | 42,745 | (42,745) | - | - |
| Total Operating Revenue | 301,603 | 3,395 | 304,998 | 297,898 |
| **OPERATING EXPENSES** | | | | |
| Compensation and Benefits | 186,204 | - | 186,204 | 187,940 |
| Purchased Services and Supplies | 78,799 | - | 78,799 | 82,256 |
| Depreciation | 30,292 | - | 30,292 | 29,106 |
| Interest Expense | 5,738 | - | 5,738 | 5,568 |
| Total Operating Expenses | 301,033 | - | 301,033 | 304,870 |
| **CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES** | 570 | 3,395 | 3,965 | (6,972) |
| **NONOPERATING ACTIVITIES** | | | | |
| Investment Return, Net of Amount Designated for Current Operations | 37,949 | 86,488 | 124,437 | 63,912 |
| Gifts and Grants for Capital or Endowment | 1,349 | 61,349 | 62,698 | 44,193 |
| Change in Present Value of Split Interest Obligations | (296) | (1,633) | (1,929) | (2,044) |
| Net Actuarial Gain on Postretirement Health Care Obligations | 7 | - | 7 | (1,638) |
| Net Periodic Benefit Costs Other than Service Costs | (2,431) | - | (2,431) | 16,602 |
| Other Losses | (165) | - | (165) | (215) |
| Net Assets Released from Restriction or whose Restrictions have Changed | (19,611) | 19,611 | - | - |
| Change in Net Assets, Nonoperating Activities | 16,802 | 165,815 | 182,617 | 120,810 |
| **CHANGE IN NET ASSETS** | 17,372 | 169,210 | 186,582 | 113,838 |
| Net Assets - Beginning of Year | 651,262 | 923,855 | 1,575,117 | 1,461,279 |
| **NET ASSETS - END OF YEAR** | $ 668,634 | $ 1,093,065 | $ 1,761,699 | $ 1,575,117 |

*See accompanying Notes to Consolidated Financial Statements.*

**BUCKNELL UNIVERSITY**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**YEAR ENDED JUNE 30, 2026**
**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR YEAR ENDED JUNE 30, 2025)**
**(IN THOUSANDS)**

| | 2026 | 2025 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in Net Assets | $ 186,582 | $ 113,838 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: | | |
| Postretirement (Gains) Loss Other than Net Periodic Expense | (7) | 1,638 |
| Amortization of Net Bond Premium | (960) | (1,309) |
| Depreciation | 30,292 | 29,106 |
| Gain on Debt Defeasance | - | (248) |
| Loss on Disposal of Fixed Assets | 499 | 84 |
| Contributions Restricted for Long-Term Investment | (61,349) | (37,652) |
| Net Investment Appreciation | (179,805) | (108,108) |
| Changes in Assets and Liabilities: | | |
| Inventories, Prepaid Expenses, and Other Assets | 150 | (1,009) |
| Accounts and Other Receivables | (1,647) | 2,358 |
| Accounts Payable and Other Liabilities | 4,407 | 8,454 |
| Postretirement Health Care | 798 | (16,606) |
| Net Cash Used by Operating Activities | (21,040) | (9,454) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Sales of Investments | 474,079 | 579,546 |
| Purchases of Investments | (452,073) | (560,958) |
| Deposits to Funds Held by Bond Trustee | (30,035) | - |
| Loans and Notes Collected | 66 | 91 |
| Purchase of Property and Equipment | (28,057) | (42,085) |
| Net Cash Used by Investing Activities | (36,020) | (23,406) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Payment of Long-Term Debt Obligations | (5,019) | (21,653) |
| Proceeds from Issuance of Debt | 30,389 | 30,610 |
| Receipts Under Annuity Liability Arrangements | 100 | 2,395 |
| Payments to Annuitants | (1,605) | (1,453) |
| Gifts and Grants Received for Capital or Endowment | 26,387 | 29,175 |
| Net Cash Provided by Financing Activities | 50,252 | 39,074 |
| **NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS** | (6,808) | 6,214 |
| Cash and Cash Equivalents - Beginning of Year | 37,353 | 31,139 |
| **CASH AND CASH EQUIVALENTS - END OF YEAR** | $ 30,545 | $ 37,353 |
| **SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION** | | |
| Noncash Securities Donated | $ 19,982 | $ 4,098 |
| Interest Paid | $ 6,220 | $ 5,916 |

*See accompanying Notes to Consolidated Financial Statements.*

## 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.

As of December 31, 2025, the University formally dissolved and liquidated both the wholly owned subsidiary and the tax-exempt title holding company. Prior to dissolution, both companies ceased active business operations, and all remaining assets and liabilities – consisting primarily of cash, property and equipment, and intercompany payables – were distributed to and assumed by the University.

As both companies' activities were previously consolidated within the University's financial statements, the dissolution and transfer of assets had no impact on consolidated net assets or the statement of activities.

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 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.

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.

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.

Bucknell University maintains its cash and cash equivalents in bank deposit accounts with major financial institutions. At times, such cash balances may exceed the FDIC (Federal Deposit Insurance Corporation) insured limits. The University has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on its cash balances. As of June 30, 2026, the uninsured balance was approximately $12,261.

**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 and measured at fair value based on the underlying trust assets reported by the trustees. These funds are neither in the possession, nor under the control, of the University, these funds are classified as Level 3. 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 by Bond Trustee**

Funds held by bond trustee associated with the University's debt obligations are reported at fair value using Level 1 inputs. These funds consist of amounts held for capital projects. The funds are invested in short-term investments in accordance with requirements established by the associated bond agreements.

**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, 2026 and 2025, 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.

### 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 restriction.

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. Contributions 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 judgment 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 purpose 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 either held in perpetuity or by the donor specified term 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, 2026 and 2025, approximately $3,800 and $5,500, 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.

**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. Bison Ventures, Inc. and Bucknell Real Estate, Inc. were both dissolved as of December 31, 2025. There were no final federal or state tax liabilities realized upon dissolution nor was there any taxable event for income tax purposes.

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 Summarized 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, 2025, from which the summarized information was derived.

**Subsequent Events**

Management has evaluated subsequent events through October 26, 2026, the date the consolidated financial statements were issued and identified the activity listed below.

On September 9, 2026, the Board of Trustees approved a voluntary retirement incentive program available to eligible full-time faculty and staff who meet specific age and years-of-service criteria. The program is designed to support long-term operational efficiency and institutional realignment for future fiscal years.

Eligible employees have until the end of October 2026 to elect participation in the program. As the election period remains open as of the date these financial statements were issued, the number of participating employees and the total financial impact, including severance benefits and continued medical coverage, cannot be reasonably estimated at this time.

The financial effects of this voluntary program will be recognized in the consolidated financial statements for the fiscal year ending June 30, 2027 as elections are finalized and obligations become measurable under ASC 712, *Compensation—Nonretirement Postemployment Benefits*. No adjustments have been made to the financial statements for the year ended June 30, 2026 related to this event.

## NOTE 2 RECEIVABLES

### Accounts, Loans, and Notes Receivable

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

| | 2026 | 2025 |
|---|---|---|
| Accounts and Other Receivables: | | |
| Students | $ 1,020 | $ 1,175 |
| Other | 3,869 | 942 |
| Less: Allowance for Credit Losses | (600) | (465) |
| Subtotal | 4,289 | 1,652 |
| Accrued Grants and Contracts Revenue | 1,322 | 2,315 |
| Total | $ 5,611 | $ 3,967 |
| Loans and Notes Receivable: | | |
| Student Loans | $ 315 | $ 389 |
| Employee Loans | 287 | 284 |
| Less: Allowance for Credit Losses | (117) | (125) |
| Total | $ 485 | $ 548 |

At June 30, 2026 and 2025, respectively, the balance of the contract assets included in accounts and other receivables for students on the consolidated statement of financial position was $1,020 and $1,175. At the beginning of 2025, the balance of contract assets was $1,082.

### Contributions Receivable

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

| | 2026 | 2025 |
|---|---|---|
| Unconditional Promises Expected to be Collected: | | |
| One Year or Less | $ 5,485 | $ 3,367 |
| Over One Year to Five Years | 31,012 | 19,847 |
| Over Five Years | 4,499 | 1,255 |
| Subtotal | 40,996 | 24,469 |
| Less: Allowance for Uncollectible Contributions | (3,070) | (1,523) |
| Total Contributions Receivable | $ 37,926 | $ 22,946 |

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, 2026 and 2025, ranged from 1.4% to 8.7%. The discount to present value amounted to approximately $14,881 and $8,717 at June 30, 2026 and 2025, respectively.

## 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:

| | Level 1 | Level 2 | Level 3 | NAV | Total |
|---|---|---|---|---|---|
| Short-Term Investments | $ 90,801 | $ - | $ - | $ - | $ 90,801 |
| Fixed Income | 140,435 | - | - | - | 140,435 |
| Public Equity | 164,865 | - | - | - | 164,865 |
| Commingled Equity | - | - | - | 268,484 | 268,484 |
| Alternative Strategies | - | - | - | 130,468 | 130,468 |
| Real Estate | - | - | - | 127,610 | 127,610 |
| Private Credit | - | - | - | 119,117 | 119,117 |
| Private Equity | - | - | - | 439,655 | 439,655 |
| Other | 1,893 | - | 182 | - | 2,075 |
| Total Investments | $ 397,994 | $ - | $ 182 | $ 1,085,334 | $ 1,483,510 |
| Funds Held in Trust by Others | $ - | $ - | $ 10,423 | $ - | $ 10,423 |
| Funds Held in Trust by Bond Trustee | $ 30,035 | $ - | $ - | $ - | $ 30,035 |

| | 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 | $ 312,132 | $ - | $ 2,199 | $ 990,475 | $ 1,304,806 |
| Funds Held in Trust by Others | $ - | $ - | $ 9,417 | $ - | $ 9,417 |

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, 2026 and 2025, $113,776 and $88,604, respectively, of certain redeemable alternative funds and commingled equity 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).

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:

| | 2026 | 2025 |
|---|---|---|
| Real Estate | $ 57,259 | $ 54,842 |
| Private Credit | 71,825 | 55,988 |
| Private Equity | 184,179 | 179,962 |
| Total | $ 313,263 | $ 290,792 |

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

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Balance - Beginning of Year | Acquisitions or Purchases | Sales, Redemptions, Distributions, or Transfers Out | Net Appreciation (Depreciation) | Balance - End of Year |
| Investments: | | | | | |
| Private Equity | $ 2,028 | $ - | $ (1,726) | $ (302) | $ - |
| Other Investments | 171 | - | - | 11 | 182 |
| Funds Held in Trust by Others | 9,417 | 467 | (196) | 735 | 10,423 |

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Balance - Beginning of Year | Acquisitions or Purchases | Sales, Redemptions, Distributions, or Transfers Out | 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 |

The University enters into derivative instruments such as futures for trading purposes. The University may enter into equity or index option contracts to speculate on the price of movements of the financial instrument or index underlying the option. Index future contracts are included in investments on the statement of financial position. At June 30, 2026, the University held certain index future contracts with a net unrealized gain of $73 and pledged collateral on the index futures contracts of $14,099.

The University's exposure to counterparty risk on these contracts is limited, since futures are exchange-traded and centrally cleared rather than bilateral OTC instruments; the University is not a party to any ISDA master netting agreement with respect to these positions.

As of June 30, 2026, there were 1,373 open futures contracts. The volume of futures is based on the quarterly number of contracts held during the year. The average number of contracts for the futures were 1,373 for the year ended June 30, 2026.

The fair market value of investment derivatives held by the University at June 30, 2026 are summarized in the following table. There were no derivatives held at June 30, 2025.

| | 2026 | | |
|---|---|---|---|
| | Long Notional | Short Notional | Unrealized Gain |
| Index Futures Contracts | $ 231,174 | $ - | $ 73 |

**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:

| | Investments | Funds Held in Trust by Others | Total | 2025 |
|---|---|---|---|---|
| Endowment | $ 1,418,722 | $ 7,909 | $ 1,426,631 | $ 1,263,318 |
| Split Interest | 27,525 | 2,514 | 30,039 | 27,930 |
| Held for Capital Projects | - | - | - | 11,074 |
| Operations | 37,263 | - | 37,263 | 11,901 |
| Total | $ 1,483,510 | $ 10,423 | $ 1,493,933 | $ 1,314,223 |

**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:

| | 2026 | 2025 |
|---|---|---|
| Endowment Return Available for Operations | $ 52,373 | $ 50,972 |
| Endowment Investment Income and Net Appreciation | 173,096 | 112,521 |
| Endowment Income Withdrawn for Operations | (52,373) | (50,972) |
| Net Endowment Income Provided | 120,723 | 61,549 |
| Other Gains - Principally Related to Split-Interest Agreements | 3,714 | 2,363 |
| Net Investment Income - Nonoperating | 124,437 | 63,912 |
| Total Investment Return | $ 176,810 | $ 114,884 |

**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 trailing average of the fair value of pooled assets.

## Summary of Endowment Balances and Activity by Net Asset Classification

Endowment net assets consisted of the following at June 30:

| | 2026 | | |
|---|---|---|---|
| | Without Donor Restriction | With Donor Restriction | Total |
| Donor-Restricted Endowments | $ - | $ 970,691 | $ 970,691 |
| Board-Designated Endowments | 455,940 | - | 455,940 |
| Total Endowment Net Assets | $ 455,940 | $ 970,691 | $ 1,426,631 |

| | 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 | $ 416,228 | $ 847,090 | $ 1,263,318 |

| | 2026 | 2025 |
|---|---|---|
| Net Endowment Assets with Donor Restriction: | | |
| Endowments Restricted by Donor in Perpetuity | $ 503,476 | $ 460,918 |
| Endowments Restricted by Donor that Permit, with Restrictions, Future Expenditure | 9,642 | 8,820 |
| Accumulated Investment Gains on Donor-Restricted Endowments | 457,573 | 377,352 |
| Total | $ 970,691 | $ 847,090 |

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

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---|---|---|
| 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 | 1,212 | - | 1,212 |
| Subtotal | 7,631 | 26,863 | 34,494 |
| Investment Return | 42,216 | 70,305 | 112,521 |
| Endowment Spending Distributions | (21,494) | (29,478) | (50,972) |
| Endowment Net Assets - June 30, 2025 | 416,228 | 847,090 | 1,263,318 |
| Contributions Received | 1,305 | 40,749 | 42,054 |
| Proceeds from Expired Split-Interest Agreements | 508 | 28 | 536 |
| Transfers | - | - | - |
| Subtotal | 1,813 | 40,777 | 42,590 |
| Investment Return | 59,001 | 114,095 | 173,096 |
| Endowment Spending Distributions | (21,102) | (31,271) | (52,373) |
| Endowment Net Assets - June 30, 2026 | $ 455,940 | $ 970,691 | $ 1,426,631 |

**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 $0 and $13 as of June 30, 2026 and 2025, 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.

**Endowment Investment Return Objectives and Risk Parameters**

The University has adopted investment and spending policies for its endowment assets that aims 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 University must hold in perpetuity or for a donor-specified period, as well as board-designated funds.

To satisfy its long-term rate-of-return objective of maintaining intergenerational equity, the University seeks to attain a total return, net of fees and expenses, over a Full Market Cycle that exceeds its spending rate plus inflation (as measured by the CPI), thereby preserving the purchasing power of the Endowment in perpetuity. Returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

In June 2026, the University changed its Outsourced Chief Investment Officer (OCIO) advisor. The Board of Trustees updated the University's Investment Policy Statement resulting in a different asset class structure which is outlined below.

- Global Equities – Equity investments in US and international companies, diversified by style and capitalization, using both active and passive strategies
- Private Capital – Venture capital, leveraged buyouts, and opportunistic credit investments
- Absolute Return – Hedged equity, convertible arbitrage, event-driven arbitrage, fixed income arbitrage, global macro, distressed securities, and multi-strategy investments
- Real Assets – Real estate, infrastructure, energy, natural resources, agriculture, commodities and TIPS
- Fixed Income and Cash

The current long-term targets and ranges for these asset classes are as follows:

| | Minimum | Target | Maximum |
|---|---|---|---|
| Global Equities | 15.0% | 35.0% | 70.0% |
| Private Capital | 0.0% | 35.0% | 50.0% |
| Real Assets (public & private) | 0.0% | 15.0% | 45.0% |
| Absolute Return | 0.0% | 10.0% | 25.0% |
| Global Fixed Income | 0.0% | 5.0% | 25.0% |
| Cash | 0.0% | 0.0% | 20.0% |

## NOTE 4 PROPERTY AND EQUIPMENT, NET

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

| | 2026 | 2025 |
|---|---|---|
| Land | $ 5,325 | $ 5,325 |
| Buildings and Improvements | 766,354 | 731,377 |
| Equipment, Furniture, and Fixtures | 153,887 | 152,911 |
| Library Books and Materials | 51,063 | 51,063 |
| Construction in Progress | 8,849 | 37,167 |
| Total | 985,478 | 977,843 |
| Less Accumulated Depreciation: | | |
| Buildings and Improvements | 325,330 | 312,496 |
| Equipment, Furniture, and Fixtures | 137,634 | 136,601 |
| Library Books and Materials | 50,672 | 50,533 |
| Property and Equipment, Net | $ 471,842 | $ 478,213 |

## NOTE 5 LONG-TERM DEBT

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

| | 2026 | 2025 |
|---|---|---|
| Note Payable, 2.7%, Final Maturity 2033 | $ 346 | $ 390 |
| Note Payable, 3.12%, Final Maturity 2050 | 34,675 | 35,630 |
| Total Notes Payable | 35,021 | 36,020 |
| Union County Higher Education Facilities Financing Authority: | | |
| Tax-Exempt Revenue Bonds: | | |
| Series 2015A, 2.55%, Final Maturity February 1, 2045 | 21,750 | 22,600 |
| Series 2020, 2.465%, Final Maturity April 1, 2042 | 24,620 | 25,860 |
| Series 2024A, 5.00%, Final Maturity April 1, 2035 | 11,240 | 11,425 |
| Series 2025A, 5.00%, Final Maturity April 1, 2033 | 14,220 | 15,965 |
| Series 2026A, 5.00%, Final Maturity October 1, 2034 | 26,895 | - |
| 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 | 148,725 | 125,850 |
| Total Bonds and Notes Payable | 183,746 | 161,870 |
| Unamortized Bond Premium and Issue Costs, Net | 4,471 | 1,937 |
| Total Long-Term Debt, Net | $ 188,217 | $ 163,807 |

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.

**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 Union County Higher Education Facilities Financing Authority (the Authority) that provided issuance of the following University Revenue Bonds: Series 2015A, Series 2015B, and Series 2015C (taxable). The Series 2015A, B and C bonds were issued to finance the cost of student housing, academic, and other building construction and renovations. The Series 2015B Bonds were refunded in April 2025.

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 issuance 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 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 Series 2025A University Revenue Bonds. The proceeds of the bonds were used to refund the Series 2015B bonds and pay related bond issuance costs.

In May 2026, the University entered into an agreement with the Authority that provided for the issuance of the Series 2026A University Revenue Bonds. The proceeds of the bonds will be used to partially finance the construction, capital improvement and renovation of on-campus buildings and facilities as well as cost of issuance.

**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 were 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:

| Year Ending June 30, | Amount |
|---|---|
| 2027 | $ 5,196 |
| 2028 | 5,807 |
| 2029 | 6,033 |
| 2030 | 6,259 |
| 2031 | 6,506 |
| Thereafter | 153,945 |
| Total | $ 183,746 |

**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 (SOFR) plus a margin of 1.25% (approximately 4.93% and 5.70% at June 30, 2026 and 2025, respectively). No amounts were borrowed under this facility during the years ended June 30, 2026 and 2025.

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 (3.68% and 3.73%, respectively, as of June 30, 2026) 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. No amounts were borrowed under this facility during the years ended June 30, 2026 and 2025. This credit arrangement was terminated as of August 1, 2026.

## NOTE 6 COMPOSITION OF NET ASSETS

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Without Donor Restriction | With Donor Restriction: Appreciation or Time | With Donor Restriction: Perpetual | Total | 2025 |
| Endowment Funds: | | | | | |
| Scholarships and Financial Aid | $ 31,198 | $ 209,806 | $ 283,253 | $ 524,257 | $ 457,230 |
| Instruction and Academic Programs | 13,201 | 116,664 | 147,399 | 277,264 | 239,064 |
| Library and Related Services | 10 | 80,970 | 7,781 | 88,761 | 81,187 |
| Facilities and Capital Improvements | 15,193 | 19,066 | 7,364 | 41,623 | 37,979 |
| Athletics | 1,124 | 9,759 | 24,574 | 35,457 | 31,116 |
| Other University Activities | 395,214 | 30,950 | 33,105 | 459,269 | 416,742 |
| Total Endowment Funds | 455,940 | 467,215 | 503,476 | 1,426,631 | 1,263,318 |
| Contributions Receivable Restricted for: | | | | | |
| Donor Endowments | - | - | 26,892 | 26,892 | 13,736 |
| Other University Purposes | - | 11,034 | - | 11,034 | 9,210 |
| Total | - | 11,034 | 26,892 | 37,926 | 22,946 |
| Split-Interest Agreements | (18) | 3,635 | 9,260 | 12,877 | 11,619 |
| Other Net Assets | 212,712 | 70,738 | 815 | 284,265 | 277,234 |
| Total Net Assets | $ 668,634 | $ 552,622 | $ 540,443 | $ 1,761,699 | $ 1,575,117 |

## 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 $11,451 and $11,333 for the years ended June 30, 2026 and 2025, 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. Beginning July 1, 2027, the pre-65 plan will be subject to the $350 per month per individual 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 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 table sets forth the plan's funded status and amounts recognized in the University's consolidated statement of financial position at June 30:

| | 2026 | 2025 |
|---|---|---|
| Change in Benefit Obligation During the Year: | | |
| Benefit Obligation - Beginning of Year | $ 48,125 | $ 63,093 |
| Service Cost | 1,742 | 3,155 |
| Interest Cost | 2,431 | 3,244 |
| Plan Amendment | - | (19,846) |
| Benefit Payments | (3,375) | (3,159) |
| Actuarial (Gain) Loss | (7) | 1,638 |
| Benefit Obligation - End of Year | $ 48,916 | $ 48,125 |
| Change in Plan Assets During the Year: | | |
| Fair Value of Plan Assets - Beginning of Year | $ - | $ - |
| Employer Contributions | 3,375 | 3,159 |
| Benefit Payments | (3,375) | (3,159) |
| Fair Value of Plan Assets - End of Year | $ - | $ - |
| Net Periodic Benefit Cost Recognized for the Year: | | |
| Operating Expense: | | |
| Service Cost | $ 1,742 | $ 3,155 |
| Nonoperating Expense: | | |
| Interest Cost | 2,431 | 3,244 |
| Amortization of Prior Service Cost (Credit) | (1,988) | 563 |
| Amortization of Net Gain | (2,338) | (2,356) |
| Total Periodic Benefit (Credit) Cost | $ (153) | $ 4,606 |

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:

| | 2026 | 2025 |
|---|---|---|
| Weighted Average Assumptions for the Year: | | |
| 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 |
| Weighted Average Assumptions at Year-End: | | |
| Discount Rate | 5.38% | 5.24% |
| Initial Health Care Cost Trend Rate | 9.00% | 8.00% |
| Ultimate Health Care Cost Trend Rate | 6.00% | 5.00% |
| Years Remaining to Attain Ultimate Health Care Trend Rate | 9 | 6 |
| Measurement Date | June 30 | June 30 |
| Mortality Table | PRI-2012 White Collar Scale MP-2021 | PRI-2012 White Collar Scale MP-2021 |

The expected cash outflow information for fiscal years ending after June 30, 2026, is as follows:

| Year Ending June 30, | Amount |
|---|---|
| 2027 | $ 3,781 |
| 2028 | 3,644 |
| 2029 | 3,864 |
| 2030 | 3,846 |
| 2031 | 3,928 |
| 2032 to 2036 | 21,199 |
| Total | $ 40,262 |

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

| | 2026 | 2025 |
|---|---|---|
| Nonoperating Activities: | | |
| Net Actuarial Gain (Loss) during the Year | $ 7 | $ (1,638) |
| Prior Period Service Cost | - | 19,846 |
| Amortization of Prior Service Cost (Credit) | (1,988) | 563 |
| Amortization of Actuarial (Gain) Loss | (2,338) | (2,356) |
| Total Nonoperating (Loss) Gain Activities Related to Retiree Health Care | $ (4,319) | $ 16,415 |

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

| | 2026 | 2025 |
|---|---|---|
| Prior Period Service Cost | $ 13,919 | $ 15,907 |
| Unrecognized Actuarial Gain | 21,188 | 23,519 |
| | $ 35,107 | $ 39,426 |

## NOTE 9 COMMITMENTS 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 $677 and $662 at June 30, 2026 and 2025, respectively. No guaranteed mortgages were in default as of June 30, 2026 and 2025.

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 $15,058 at June 30, 2026.

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.

## NOTE 10 RELATED-PARTY TRANSACTIONS

The President of the University serves on the board of directors 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 $4,968 and $4,503 for the years ended June 30, 2026 and 2025, 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:

| | 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Programs | | | | | | |
| | Academic and Educational | Student Services | Research and Public Service | Auxiliary | Institutional Support: Administration | Institutional Support: Fundraising | Total |
| Compensation and Benefits | $ 110,924 | $ 31,424 | $ 2,319 | $ 8,296 | $ 21,988 | $ 11,253 | $ 186,204 |
| Purchased Services and Supplies | 22,369 | 18,555 | 2,287 | 19,251 | 12,500 | 3,837 | 78,799 |
| Depreciation | 9,967 | 5,187 | - | 11,430 | 3,509 | 199 | 30,292 |
| Interest Expense | 658 | 252 | - | 2,971 | 1,857 | - | 5,738 |
| Total | $ 143,918 | $ 55,418 | $ 4,606 | $ 41,948 | $ 39,854 | $ 15,289 | $ 301,033 |
| Net Periodic Benefit Costs Reported in Nonoperating Activities | $ 1,479 | $ 410 | $ - | $ 108 | $ 287 | $ 147 | $ 2,431 |

| | 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Programs | | | | | | |
| | Academic and Educational | Student Services | Research and Public Service | Auxiliary | Institutional Support: Administration | Institutional Support: 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 Expense | 564 | 288 | - | 2,777 | 1,939 | - | 5,568 |
| Total | $ 147,901 | $ 56,686 | $ 4,593 | $ 40,938 | $ 38,450 | $ 16,302 | $ 304,870 |
| Net Periodic Benefit Costs Reported in Nonoperating Activities | $ (9,908) | $ (2,751) | $ - | $ (735) | $ (2,209) | $ (999) | $ (16,602) |

## 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 the years ended June 30 is as follows:

| | 2026 | 2025 |
|---|---|---|
| Tuition and Fees | $266,986 | $257,401 |
| Less: Scholarship Discounts | (103,612) | (97,040) |
| Net Tuition and Fees | $163,374 | $160,361 |
| | | |
| Auxiliary Revenues: | | |
| Campus Housing | $ 36,300 | $ 34,922 |
| Student Meal Plans | 14,353 | 13,257 |
| Total Auxiliary Revenue from Students | $ 50,653 | $ 48,179 |

### 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 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, 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 | 2,436 | 338 | 3,473 | 6,247 |
| Revenue Recognized | (2,436) | - | (3,473) | (5,909) |
| Amounts Received for Future Performance Obligations | 2,898 | 205 | 4,190 | 7,293 |
| Balance at June 30, 2026 | $ 2,898 | $ 543 | $ 4,190 | $ 7,631 |

## 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 of June 30, financial assets available within one year were as follows:

| | 2026 | 2025 |
|---|---|---|
| Financial Assets: | | |
| Cash and Cash Equivalents | $ 30,545 | $ 37,353 |
| Accounts and Other Receivables, Net | 5,611 | 3,967 |
| Investments | 37,263 | 22,975 |
| Total Financial Assets Available within One Year | $ 73,419 | $ 64,295 |

As further described in Note 5, the University has an unsecured line of credit in place up to $50,000 (no amounts borrowed at June 30, 2026) to further supplement cash flows, if necessary. Additionally, the University's board-designated endowment totaled $455,940 and $416,228 for the years ended June 30, 2026 and 2025, respectively. Although the University does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval, additional amounts from the board-designated endowment could be made available, if necessary. Approved endowment payout for use over the next twelve months totaled $55,311 and $51,916, respectively.




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