

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

**University of Louisville Foundation, Inc. and
Affiliates**

June 30, 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
University of Louisville Foundation, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of University of Louisville Foundation, Inc. and Affiliates (the "Entity"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, changes in net assets, 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 financial position of the Entity as of June 30, 2025, and the results of its operations 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the 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 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 the Entity's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's responsibilities for the audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Chicago, Illinois
September 30, 2025

University of Louisville Foundation, Inc. and Affiliates
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025
(In thousands)

ASSETS

Cash	\$	9,781
Accounts receivable, net		1,468
Other receivables		1,000
Contributions receivable, net		9,616
Investments		1,080,257
Investments in joint ventures		9,713
Funds held in trust by others		78,814
Prepaid and other assets		9,518
Intangibles, net		151,824
Capital assets, net		<u>237,535</u>
Total assets	\$	<u><u>1,589,526</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	1,640
Funds held in trust for others		16,366
Other liabilities		12,077
Bonds and notes payable		63,755
Due to the University of Louisville		<u>6,538</u>
Total liabilities		<u>100,376</u>

Net assets

Without donor restrictions		408,992
With donor restrictions		<u>1,080,158</u>
Total net assets		<u>1,489,150</u>
Total liabilities and net assets	\$	<u><u>1,589,526</u></u>

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

University of Louisville Foundation, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended June 30, 2025
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, gains, and other support			
Gifts	\$ 689	\$ 31,980	\$ 32,669
Investment return, net	5,736	78,859	84,595
Changes in funds held in trust by others	-	8,549	8,549
Rental revenues	19,881	-	19,881
Other revenues	7,626	-	7,626
Tax incremental financing revenues	8,376	-	8,376
Inherent contribution revenue	337,705	-	337,705
Net assets released from restrictions	66,683	(66,683)	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support	446,696	52,705	499,401
Expenses			
Contributions and allocations to University of Louisville departments	67,247	-	67,247
Contributions and allocations to UofL Health - Louisville, Inc.	2,388	-	2,388
Salaries	4,711	-	4,711
Utilities	2,417	-	2,417
General and administrative	3,949	-	3,949
Lease expense	1,306	-	1,306
Professional services	2,426	-	2,426
Repairs and maintenance	4,777	-	4,777
Depreciation and amortization	13,550	-	13,550
Interest expense	3,394	-	3,394
Other expenses	587	-	587
	<hr/>	<hr/>	<hr/>
Total expenses	106,752	-	106,752
Provision for uncollectible contributions receivable	-	1,791	1,791
Actuarial gain on annuity and unitrust obligations	-	36	36
	<hr/>	<hr/>	<hr/>
Total expenses and losses	106,752	1,827	108,579
	<hr/>	<hr/>	<hr/>
CHANGES IN NET ASSETS	339,944	50,878	390,822
Net assets, beginning of year	<hr/>	<hr/>	<hr/>
	69,048	1,029,280	1,098,328
Net assets, end of year	<hr/>	<hr/>	<hr/>
	\$ 408,992	\$ 1,080,158	\$ 1,489,150

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

University of Louisville Foundation, Inc. and Affiliates

CONSOLIDATED STATEMENT OF CASH FLOWS

**Year ended June 30, 2025
(In thousands)**

Operating activities	
Changes in net assets	\$ 390,822
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Inherent contribution revenue	(337,705)
Realized and unrealized gain on investments, net	(84,595)
Changes in funds held in trust by others	(8,549)
Depreciation and amortization expense	13,550
Provision for uncollectible contributions receivable	1,791
Contributions restricted for long-term investment	(9,883)
Loss on disposal of capital assets	950
Changes in assets and liabilities:	
Accounts and notes receivable, net	4,280
Contributions receivable, net	4,753
Prepaid expenses and other assets	(2,936)
Accounts payable	(218)
Funds held in trust for others	597
Other liabilities	801
Due to the University of Louisville	909
	(25,433)
Net cash used in operating activities	(25,433)
Investing activities	
Purchases of investments	(275,968)
Proceeds from sales of investments	305,984
Purchases of capital assets	(9,461)
	20,555
Net cash provided by investing activities	20,555
Financing activities	
Contributions restricted for long-term investment	9,883
Payments to annuitants	(549)
Payments on bonds and notes payable	(3,106)
	6,228
Net cash provided by financing activities	6,228
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,350
Cash and cash equivalents, beginning of year	8,431
Cash and cash equivalents, end of year	\$ 9,781
Supplemental cash flow information	
Cash paid for interest	\$ 3,393
Net assets acquired in reorganization of ULREF (see Note 2)	\$ 337,705

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

University of Louisville Foundation, Inc. and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The University of Louisville Foundation, Inc. and Affiliates (ULF or the Foundation) have been designated by the University of Louisville (the University) to receive funds derived from gifts and other sources, including funds held in trusts by others. As directed by its Board of Directors (the Board), ULF transfers funds to the University upon satisfaction of donor restrictions. In addition, a portion of the Foundation's unrestricted resources provides support for certain of the University's activities.

The Foundation owns or controls the following entities, all of which are included in the consolidated financial statements of the Foundation as of June 30, 2025, unless otherwise noted:

University of Louisville Development Corporation, LLC (ULDC) is a limited liability company formed in September 2007, whose sole member is ULF. Its purpose is to develop and manage certain real estate operations of ULF at the Shelby Campus of the University. In October 2010, ULDC became a 51% owner of Campus One, LLC (Campus One). Campus One operates a commercial real estate building on the University's Shelby Campus. This investment in the joint venture is accounted for under the equity method, since ULDC is not considered the primary beneficiary.

MetaCyte Business Lab, LLC (MetaCyte) is a limited liability company acquired in 2008, whose sole member is ULF. Its purpose is to identify and support commercially promising health science discoveries in the region.

University of Louisville Real Estate Foundation, Inc. (ULREF) was formed in November 2014. ULREF's mission is to acquire, maintain, improve, leverage, manage, lease, and convey real and personal property for the benefit of the University. Effective July 1, 2024, ULREF adopted amended bylaws and filed amended and restated articles of incorporation to implement a reorganization under which ULREF became a subsidiary of the Foundation, with the Foundation serving as ULREF's sole member.

The following entities are consolidated under ULREF:

220 South Preston, LLC	Community Park, LLC
Cardinal Station, LLC	515 Building, LLC
KYT-Louisville, LLC	248 E. Market Street, LLC
Johnson Hall, LLC	208 E. Market Street, LLC
Kurz Hall, LLC	UL Cardinal Center, LLC

In FY25, the following entities were transferred from ULF to ULREF as part of a common control transaction.

300 E. Market, LLC (fka TNRP, LLC)	1820 Arthur Street, LLC
CCG, LLC	Field Hockey, LLC
North Quad, LLC	Rock Lots, LLC

All significant intercompany balances and transactions have been eliminated in consolidation. The Foundation is a discretely presented component in the financial statements of the University.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

consolidated financial statements. Estimates could also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

Without Donor Restrictions - These are net assets that are not subject to donor-imposed restrictions. Items that affect this category principally consist of revenues and expenses associated with the core activities of the Foundation and its affiliates, along with unrestricted gifts to the Foundation.

With Donor Restrictions - These are net assets subject to donor-imposed restrictions that will be met by the Foundation or the passage of time or that include a stipulation that assets provided by retained in perpetuity while permitting the Foundation to use all or part of the investment return on these assets for specified or unspecified purposes.

Cash

At June 30, 2025, the Foundation's cash accounts exceeded federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Accounts Receivable, Net

Accounts receivable are comprised primarily of rental income receivable along with other receivables. The Foundation evaluates the collectability of receivables. The Foundation maintains an allowance for credit losses for estimated losses resulting from the inability of customers to make the required payments under the agreements. Allowance for credit losses as of June 30, 2025, amounts to approximately, \$390,000.

Investments and Investment Return

Investments are recorded at fair value. Investment return includes interest and dividends and realized and unrealized appreciation (depreciation). Investment expenses, such as custodial fees, investment advisory fees and direct internal investment expenses involving the direct conduct or direct supervision of the strategic and tactical activities involved in generating investment return, are netted against investment return in the accompanying consolidated statements of activities. Investment securities are exposed to various risks, such as interest, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such a change could materially affect the amounts reported in the consolidated financial statements.

The Foundation includes, as a part of its portfolio, investments that are restricted by donors for use in the future activities of the University. Investment return that is initially restricted by donor stipulation is included in net assets with donor restrictions. Other investment return is reflected in the consolidated statement of activities and changes in net assets as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Alternative investments, including hedge funds, private equity funds, and limited partnerships, are recorded at net asset value (NAV). The NAV of alternative investments is based on valuations provided by the administrators of the specific financial instrument. The underlying investments in these financial instruments

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

may include marketable debt and equity securities, commodities, foreign currencies, derivatives, real assets (such as real estate), and private equity investments.

Fair Value Measurements

ULF follows the provisions of Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. ASC 820 defines a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, as noted above, ASC 820 defines a three-level fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participants. The fair value hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - Inputs utilize quoted market prices in active markets for identical assets or liabilities that ULF has the ability to access.
- Level 2 - Inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset and liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 - Inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, since there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Investment in Joint Venture

ULF, through ULDC, holds a 51% variable interest in a joint venture accounted for under the equity method of accounting acquired through the creation of Campus One in October 2010. The joint venture builds and manages rental properties on the University's Shelby Campus. NTS Development Company (NTS), the joint venture partner and manager, may terminate the management agreement without cause upon 60 days' written notice or terminate the management agreement for cause at any time upon prior written notice, and, in such case, NTS may require ULDC to purchase NTS's interest at fair value. ULF, through ULDC, also holds the right to terminate the management agreement with NTS.

ULF, through ULREF, holds a 51% variable interest in two joint ventures, Campus Two, LLC and Campus Three, LLC, which are accounted for under the equity method of accounting. These joint ventures were formed to develop and manage rental properties located on the University's Shelby Campus. NTS Development Company (NTS), the joint venture partner and manager, may terminate the management agreement without cause upon 60 days' written notice or, for cause, at any time upon prior written notice.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

In such cases, NTS may require ULREF to purchase NTS's interest at fair value. ULF, through ULREF, also holds the right to terminate the management agreement with NTS.

ULREF also holds a 50% interest in MedCenter Parking, LLC (MedCenter), a limited liability company formed in June 2001 and located at 501 E. Broadway. The remaining 50% is owned by Big A, LLC (Big A), an unrelated third party. MedCenter's purpose is to operate and manage parking facilities near the MedCenter One building on East Broadway. As required by U.S. GAAP, an investee's primary beneficiary is the entity that has the power to direct the investee's significant activities and has an obligation to absorb losses or the right to receive benefits that could be potentially significant to the investee. An investee must be consolidated if an entity is deemed to be the primary beneficiary of the investee.

All facts and circumstances are taken into consideration when determining whether the Foundation has variable interests that would deem it the primary beneficiary and therefore require consolidation of the related investee or otherwise rise to the level where disclosure would provide useful information to the users of the Foundation's consolidated financial statements. In many cases, it is qualitatively clear based on whether the Foundation has the power to direct the activities significant to the investee and, if so, whether that power is unilateral or shared, and whether the Foundation is obligated to absorb significant losses of, or has a right to receive significant benefits from, the investee. In other cases, a more detailed qualitative analysis, and possibly a quantitative analysis, are required to make such a determination.

The Foundation monitors the unconsolidated investments to determine whether any reconsideration events have occurred that could impact the conclusion to these investments. The Foundation reconsiders whether it is the primary beneficiary of an investee on an ongoing basis. A previously unconsolidated investee is consolidated when the Foundation becomes the primary beneficiary. A previously consolidated investee is deconsolidated when the Foundation ceases to be the primary beneficiary.

The Foundation has concluded it is not the primary beneficiary of these joint ventures, since most of the daily operations and key operating decisions are conducted by NTS and Big A, and, therefore, the entities are not consolidated.

At June 30, 2025, the Foundation's investment was approximately \$9.7 million and is included within investments on the accompanying consolidated statement of financial position.

Amortized Intangible Assets

TIF intangibles were revalued in connection with the ULF-ULREF reorganization. The value of the intangibles was derived by discounting projected future increment payments over the remaining life of the Louisville Life and Health Sciences and University of Louisville Research Park Project TIF agreements.

The TIF intangible assets are being amortized over the remaining 16 to 19 years. Such assets are periodically evaluated as to the recoverability of their carrying values.

Capital Assets

Capital assets are stated at cost or estimated market value at the date of receipt from donors. Depreciation on capital assets is charged to expense using the straight-line method based on their estimated useful lives.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

The estimated useful lives for each major depreciable classification of capital assets are as follows:

Asset Category	Useful Life	Capitalization Threshold
Buildings and land improvements	40 years	\$ 50,000
Tenant improvements	Life of lease	\$ 50,000
Furniture, fixtures and equipment	3 years	\$ 5,000

The Foundation has elected to capitalize collections that include art, rare books, photographs, letters, journals, manuscripts, and musical instruments. These items are capitalized at cost or, if a gift, at the fair market value on the date of the gift.

Long-Lived Asset Impairment

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

Funds Held in Trusts by Others

The Foundation is the beneficiary of irrevocable trust funds held by others. The Foundation has recorded the fair value of the ownership interest of the trusts as net assets with donor restrictions.

Funds Held in Trusts for Others

The Foundation has entered into agreements with other entities to serve as agent for certain trusts. The Foundation manages these investments as a part of these agency agreements. The Foundation records these investments within investments and funds held in trusts for others on the consolidated statements of financial position. The Foundation, acting in an agent capacity, does not reflect earnings on investments held in trust for others on the consolidated statements of activities, since these earnings are distributed to the owners of the funds.

Unrestricted Bequests

The Foundation follows the policy of designating all received unrestricted bequests of \$100,000 or greater as funds functioning as board-designated endowments.

Gifts

Gifts of cash and other assets received are reported as net assets with donor restrictions, as appropriate. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities as net assets released from restrictions.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. An allowance on uncollectible pledges is recorded based on such factors as collection and payment history, type of gift, and nature of fundraising. Scheduled payments past due are allowed.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recorded when the conditions are met and the gift becomes unconditional.

In-Kind Contributions

In addition to receiving cash contributions, the Foundation receives in-kind contributions of library materials, art, vehicles, and other educational equipment and supplies from various donors. The Foundation records income for the estimated fair value of in-kind donations in the period they are received and records as assets or as part of the program or supporting services expense upon use on its consolidated financial statements. The Foundation received approximately \$845,000 of in-kind gifts for the year ended June 30, 2025. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions and were immediately contributed to the University.

Contributed library materials, vehicles, art and other educational equipment and supplies were utilized in program services. In valuing those items, the Foundation utilizes third party valuation specialists to estimate fair value that is generally performed on the basis of recent comparable sale prices in the applicable market.

Rental Revenue

Rental revenue is recognized on a straight-line basis over the term of each tenant's lease agreement. Certain of ULREF's leases include scheduled rent increases during the lease term. For financial reporting purposes, the cumulative differences between rental revenue recognized on a straight-line basis and amounts contractually due under the lease are recorded as straight-line rent receivables. This balance, included in prepaids and other assets on the consolidated statements of financial position, was approximately \$4 million as of June 30, 2025.

Total revenues do not include sales tax because the Foundation is a pass-through conduit for collecting and remitting sales, use and other similar taxes.

Tax Incremental Financing (TIF) Revenues

TIF revenues are reimbursements from certain agreements between ULREF, the Commonwealth of Kentucky, and the Louisville/Jefferson County Metro Government. Revenues from these agreements are based on allocations of property taxes, sales and use tax, and income taxes, which vary based on the terms stated in each respective agreement and the amount of taxes collected throughout the year adjusted for inflation. Revenues are recognized when the agencies provide written notice they have completed the increment calculations. The TIF districts are located in downtown Louisville and the University's Belknap Campus area.

For the year ended June 30, 2025, ULREF recorded approximately \$8.4 million of TIF revenues.

Contributions Expense

ULREF provides University tenants with free or discounted rents. For the year ended June 30, 2025, the amounts of free or discounted rents recognized as contributions to University tenants were approximately \$1.4 million. ULREF also contributed a property located at 615 S. Preston Street to the University. This property was valued at \$950,000. These amounts are included in contribution expense and rental revenue on the consolidated statement of activities and changes in net assets.

Tax Status

The Foundation and primarily all of its affiliates are recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) as charitable organizations qualifying under IRC Section 501(c)(3), except for income taxes pertaining to unrelated

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

business income. Under U.S. GAAP, the tax effects from uncertain tax positions are to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a tax authority. Certain ULF's affiliates are single-member limited liability companies, which are considered disregarded entities for tax purposes.

The Foundation completed an analysis of its uncertain tax positions in accordance with applicable accounting guidance and determined there are no amounts to be recognized on the consolidated financial statements at June 30, 2025.

NOTE 2 - REORGANIZATION

Effective July 1, 2024, the Foundation became the sole member of the ULREF through amendments to ULREF's Articles of Incorporation and Bylaws. As sole member, ULF obtained a controlling financial interest in ULREF and, accordingly, consolidates ULREF in its financial statements beginning on the acquisition date.

In accordance with Accounting Standards Codification (ASC) 805, *Business Combinations*, and ASC 958-805, *Not-for-Profit Business Combinations*, the ULREF assets acquired and liabilities assumed were recorded at their acquisition-date fair values. As a result of the reorganization, ULREF elected to apply pushdown accounting as of July 1, 2024. ULF engaged independent third parties to assist in the valuation of real estate and certain intangible assets, while other assets and liabilities were recorded at carrying amounts that approximate fair value.

Total assets of approximately \$377.1 million were acquired and total liabilities of approximately \$39.4 million were assumed as of July 1, 2024. No consideration was exchanged as a part of the reorganization and accordingly, ULF recognized inherent contribution revenue of approximately \$337.7 million within the consolidated statement of activities, equal to the fair value of total net assets acquired.

The following table summarizes the carrying value and fair value of assets acquired and liabilities assumed as of the date of the reorganization (in thousands):

<u>July 1, 2024</u>	<u>Carrying Value</u>	<u>Fair Market Value</u>
Investments in joint ventures	\$ 1,001	\$ 9,453
Intangibles	79,873	160,489
Capital assets, net	140,109	187,533
Other assets	<u>19,642</u>	<u>19,642</u>
Total assets	240,625	377,117
Less: total liabilities	<u>(39,412)</u>	<u>(39,412)</u>
Total net assets	<u>\$ 201,213</u>	<u>\$ 337,705</u>

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 3 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and scheduled principal payments on debt were as follows as of June 30 (in thousands):

	2025
Financial assets at year end:	
Cash and cash equivalents	\$ 9,781
Accounts receivable, net	1,468
Other receivables, net	1,000
Contributions receivable, net	9,616
Investments	1,080,257
Funds held in trust by others	78,814
Total financial assets	1,180,936
Less amounts not available to be used within one year:	
Endowments with donor restrictions, net of current year spending appropriations	(708,880)
Quasi-endowments established by the board, net of current year spending appropriations	(230,282)
Funds held in trust by others	(72,934)
Contributions receivable not due within one year, net	(4,705)
	\$ 164,135

The Foundation has certain board-designated assets limited to use that are available for general expenditure within one year in the normal course of operations. These assets are part of the governing board-designated policy and included in the information above. It is the Foundation's practice to utilize the income from the endowments for operations; however, the entire amount could be made available, if necessary.

NOTE 4 - NET ASSETS

Net assets with donor restrictions consisted of the following at June 30 (in thousands):

	2025
Perpetual in nature	\$ 471,529
Purpose or time restricted	
Instruction	22,400
Research	193,084
Academic support	144,358
Student services and financial aid	109,280
Institutional support	43,643
Other	17,050
Funds held in trust by others	78,814
	\$ 1,080,158

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by the donor consisted of the following for the year ended June 30 (in thousands):

	<u>2025</u>
Instruction	\$ 1,223
Research	25,608
Academic support	14,472
Student services and financial aid	11,862
Institutional support	10,119
Other	3,399
	<u>\$ 66,683</u>

Net assets without donor restrictions is comprised of undesignated and board-designated amounts for the following purposes at June 30 (in thousands):

	<u>2025</u>
Undesignated	\$ 22,388
Board-designated	
Research	11,991
Student services and financial aid	5,232
Institutional support	25,673
Public service	300
ULREF undesignated	343,408
	<u>\$ 408,992</u>

NOTE 5 - DUE TO THE UNIVERSITY

In accordance with the Foundation's memorandum of understanding with the University, the Foundation receives and disburses monies on behalf of the University. The net amount of these receipts and disbursements approximated a payable of \$6.5 million as of June 30, 2025, which is recorded as an amount due to the University on the consolidated statements of financial position. Generally, the receivable or payable is cleared within the subsequent month; however, no formal agreement governs the time period in which payments are to be made.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 6 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable are discounted using the rate on risk-free obligations of 3.7% for 2025. Contributions receivable, are due to be collected as follows as of June 30 (in thousands):

	2025
Less than one year	\$ 4,911
One to five years	10,392
Greater than five years	402
	15,705
Allowance for doubtful accounts	(5,417)
Unamortized discount	(672)
Contributions receivable, net	\$ 9,616

Conditional promises of gifts depend on the occurrence of a specific and uncertain event. The Foundation has not recorded these types of gifts on the consolidated financial statements. The fair market value of these conditional gifts is as follows as of June 30 (in thousands):

	2025
Bequests	\$ 319,398
Other	18,483
Total	\$ 337,881

NOTE 7 - ENDOWMENTS

The Foundation's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments (board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted in the Commonwealth of Kentucky in July 2010, as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. This policy is consistent for both donor-restricted endowment funds and board-designated endowment funds that have donor restrictions.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

The composition of net assets by type of endowment fund at June 30 was as follows (in thousands):

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 752,247	\$ 752,247
Board-designated endowment funds	43,196	197,878	241,074
	<u>\$ 43,196</u>	<u>\$ 950,125</u>	<u>\$ 993,321</u>

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 41,284	\$ 897,954	\$ 939,238
Investment return, net	3,370	73,027	76,397
Contributions	100	9,783	9,883
Appropriations	(794)	(35,286)	(36,080)
Other changes/transfers	(764)	4,647	3,883
	<u>\$ 43,196</u>	<u>\$ 950,125</u>	<u>\$ 993,321</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the fair value level that the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with or without donor restrictions. There were no deficiencies at June 30, 2025. The Foundation's spending policy allows for a pro-rated amount of appropriations in certain instances of endowments with these deficiencies.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds that the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds.

Under the Foundation's policies, endowment assets are invested in a manner that is intended to produce results that achieve a minimum net total return that is equal to the Foundation's spending rate plus inflation without the assumption of excessive investment risk. To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income, such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within acceptable risk constraints.

The Foundation has a standing policy (i.e., "spending policy") of appropriating for expenditure each year a percentage of certain endowment funds' average market values over the prior twelve-quarters through the calendar year-end preceding the year in which expenditure is planned. The Foundation may adjust the spending policy for a given year to mitigate adverse market performance on the level of support provided to the University.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

The Board of the Foundation approved a spending policy of 4.0% for fiscal year December 31, 2024 to 2025 and 4.25% for fiscal year December 31, 2025 to 2026 to support the academic units. In addition, 0.75% was allocated to fund the Foundation's general operations and fundraising efforts. The spending policy is calculated using a twelve-quarter moving average of certain market values as of December 31.

The annual return for total endowment assets was 8.8% in 2025.

NOTE 8 - INVESTMENTS

Investments as of June 30 are as follows (in thousands):

	<u>2025</u>
Cash equivalents	\$ 51,989
Alternative investments:	
Hedge funds	93,546
Investments in partnerships	566,512
Mutual funds:	
Equity	216,409
Fixed income	19,331
Domestic marketable equity securities	47,043
U.S. treasury debt securities	<u>85,427</u>
 Total investments	 <u>\$ 1,080,257</u>

The market risk inherent in certain of the Foundation's investments is primarily the potential loss arising from adverse changes in quoted market prices on equity securities and in interest rates on fixed income securities. To mitigate this market risk, the Foundation has adopted a policy of maintaining a diverse investment pool through the use of target asset allocation guidelines. These guidelines require that the Foundation's investment pool be made up of a mix of publicly traded fixed income and equity securities, private equities and other nonmarketable securities, and real estate investments.

A major portion of investments is pooled in the total endowment assets, which is the main endowment pool for the Foundation. The total endowment assets are pooled using a market value basis, with each individual fund subscribing to, or disposing of, units on the basis of the market value per unit at the end of the prior calendar month during which the transaction takes place.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

Alternative Investments

The fair value of alternative investments has been estimated using the NAV per share of the investments. Alternative investments held at June 30 consisted of the following (in thousands):

	2025			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds ^(a)	\$ 93,546	\$ -	Various from monthly to illiquid	Various from 45 to 90 days
Investments in partnerships ^(b)	566,512	146,154	Various from monthly to illiquid	Various from 10 to 60 days

^(a) Hedge funds include investments in long and short primarily in U.S. common stocks, equity and fixed income instruments to profit from economic, political, and government driven events, and other strategies to diversify risks and reduce volatility. The fair values of hedge funds have been estimated using the net asset value per share of the investments.

^(b) Investments in partnerships include interests in private capital funds and other commingled fund structures organized as limited partnerships or similar entities. These partnerships may hold a wide range of underlying investments, including private operating companies, venture capital, real estate, derivatives, and publicly traded securities. Such investments are typically structured as limited partnerships or similar entities in which the investor does not have control over the underlying assets.

The fair value of investments is based on available information and does not necessarily represent amounts that might ultimately be realized, which depend on changing circumstances and cannot be reasonably determined until the investments are liquidated. The fair value may differ significantly from the values which would have been used had a ready market for the investments existed.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 9 - FAIR VALUE MEASUREMENTS

The following tables present the fair value measurements of assets by class recorded at fair value on a recurring basis under ASC 820 at June 30 (in thousands):

	2025		
	Level 1	Level 2	Total
Cash equivalents	\$ 51,989	\$ -	\$ 51,989
Mutual funds:			
Equity	216,409	-	216,409
Fixed income	19,331	-	19,331
Domestic marketable equity securities	47,043	-	47,043
U.S. Treasury debt securities	85,427	-	85,427
Funds held in trust by others	-	78,814	78,814
	\$ 420,199	\$ 78,814	
Investments at NAV:			
Hedge funds			93,546
Investments in partnerships			566,512
Investments in joint ventures			9,713
			\$ 1,168,784

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized on the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. The Foundation does not have any assets classified as Level 3 of the fair value hierarchy.

There have been no significant changes in the valuation techniques during the year ended June 30, 2025.

Cash Equivalents

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy.

Investments

Level 1 securities include equity and fixed income mutual funds, along with domestic equity securities and U.S. Treasury securities, which are valued based on quoted market prices.

Funds Held in Trust by Others

Fair value is determined at the fair market values of the underlying marketable debt and equity securities in the beneficial trusts at June 30, 2025. The Foundation's fair value is determined based on its proportional beneficial interest in the trust, with the Foundation as the sole beneficiary of the majority of the trusts. Due to the nature of the valuation inputs, the interests are classified within Level 2 of the hierarchy.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 10 - FUNDS HELD IN TRUST BY OTHERS

The Foundation has been designated by the University as the income beneficiary of various trusts and financial entities that are held and controlled by others. One of these is a perpetual and irrevocable trust known as the University of Louisville Trust (the Trust). It was created in 1983 to receive, administer, and invest assets that result from gifts to the Trust. The market value of the Trust was approximately \$36 million as of June 30, 2025. The Foundation's portion of the market value of the remaining trusts was approximately \$42.8 million as of June 30, 2025. These funds are invested in various equities and income-producing assets.

For the years ended June 30, 2025, the Foundation recorded income of \$8.5 million, from funds held in trusts by others, which is included in changes in funds held in trust by others on the consolidated statements of activities and changes in net assets.

NOTE 11 - CAPITAL ASSETS, NET

Capital assets, net at June 30 consist of the following (in thousands):

	2025
Land	\$ 76,689
Buildings	154,187
Other plant assets	24,602
	255,478
Accumulated depreciation	(25,015)
Construction in process	7,072
Total capital assets, net	\$ 237,535

Depreciation expense for the year ended June 30, 2025 was approximately \$4 million.

NOTE 12 - INTANGIBLE ASSETS

The approximate carrying basis and accumulated amortization of recognized intangible assets at June 30 were as follows (in thousands):

	2025	
	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets and liabilities:		
Tax incremental financing	\$ 160,489	\$ (8,665)

Amortization expense for the year ended June 30, 2025, was approximately \$8.7 million.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

At June 30, 2025, the amortization for acquired TIF intangibles, net during the next five years and thereafter, is as follows (in thousands):

2026	\$	8,665
2027		8,665
2028		8,665
2029		8,665
2030		8,665
Thereafter		<u>108,499</u>
Total	\$	<u>151,824</u>

NOTE 13 - INCOME TAXES

Deferred income taxes reflect the net tax effect of temporary differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted marginal tax rates and laws currently in effect. As of June 30, 2025, ULREF's deferred income tax assets, net of valuation allowances of approximately \$599,000, were \$536,000. Net operating loss carryforwards were approximately \$5.4 million at June 30, 2025; these begin to expire in 2036. No income tax expense was recorded in the year ended June 30, 2025.

NOTE 14 - FUNDS HELD IN TRUST FOR OTHERS

The Foundation is the custodian of funds owned by the Association. The Association is a separate corporation organized for the purpose of promoting the intercollegiate athletic activities of the University. As of June 30, 2025, the Foundation held approximately \$4.1 million, for the Association's investment purposes.

The Foundation entered into an agreement with Legacy Foundation of Kentuckiana, formerly Jewish Hospital & St. Mary's Healthcare, Inc. (Jewish Hospital) whereby the Foundation serves in an agency capacity to invest funds on behalf of Jewish Hospital. Jewish Hospital is a separate corporation organized for the purpose of providing health care services. As of June 30, 2025, the Foundation held approximately \$12 million, for Jewish Hospital's investment purposes.

The Foundation was the recipient of endowed funds, the income of which shall be used in support of the Louisville Orchestra. As of June 30, 2025, the Foundation held approximately \$300,000 for the benefit of the Louisville Orchestra.

The Foundation, acting in an agent capacity, does not reflect earnings on investments held in trust for others on the consolidated statements of activities, since these earnings are distributed to the owners of the funds.

University of Louisville Foundation, Inc. and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 15 - BONDS AND NOTES PAYABLE

Bonds and notes payable consist of the following at June 30 (in thousands):

	2025
Bonds and notes payable	\$ 64,263
Less: bond issuance costs	(508)
	\$ 63,755

In August 2013, the Foundation issued \$37.5 million of University of Louisville Foundation, Inc. Taxable Fixed Rate Bonds Series 2013 (2013 bonds). Principal payments of \$960,000 to \$2.5 million are due annually through maturity, and interest is due semiannually at fixed rates from 4.3% to 5.6%. Final maturity on the 2013 bonds is March 1, 2043.

In August 2024, 220 South Preston, LLC refinanced its note with a financial institution at a rate equal to the daily SOFR plus 125 basis points (1.25%). Principal is payable in equal quarterly installments beginning September 1, 2024, with final maturity on June 1, 2029. The agreement requires Preston to maintain a minimum debt service coverage ratio of 1.00 to 1.00. As of June 30, 2025, Preston was in compliance with this covenant.

In November 2018, ULREF signed a promissory note with a financial institution to refinance three dorms, Bettie Johnson Hall, Kurz Hall, and Community Park. The promissory note has a fixed interest rate of 4.77%, 20-year amortization, with monthly principal and interest payments until maturity date of December 1, 2038.

Principal payments on the above obligations due in the next five years and thereafter as of June 30, 2025 are as follows (in thousands):

2026	\$ 3,078
2027	3,351
2028	3,491
2029	4,810
2030	3,337
Thereafter	46,196
	\$ 64,263

NOTE 16 - GUARANTEES

Loan

In December 2010, ULF guaranteed 51% of the outstanding loan of Campus One through September 1, 2028. As of June 30, 2025 the amount under guarantee was \$5.2 million.

The Foundation has not made any payments on this guarantee to date.

Lease Guarantee

In December 2006, the Foundation became the guarantor of payments due to University Faculty Office Building, LLC (UFOB) under the Master Lease agreement between the Medical School Practice Association, Inc. (MSPA) and UFOB. The Foundation has guaranteed the full and prompt payment of all

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

amounts due to UFOB, including any damages for default and payments to reimburse UFOB for any costs and expenses incurred by UFOB to cure any default by MSPA. The initial lease term is 15 years, which began in July 2008. The annual lease payments due from MSPA to UFOB are approximately \$3.5 million, with an annual inflation of 3%. The Foundation has not made any payments on this guarantee to date.

NOTE 17 - RELATED-PARTY TRANSACTIONS

Included in the spending policy contribution to the University is a specific component designed to approximate the Foundation's allocated portion of salaries, benefits, and certain other administrative support costs related to fundraising and advancement. This amount was approximately \$5 million for the year ended June 30, 2025, and are included in contributions and allocations to the University departments on the consolidated statements of activities and changes in net assets.

For the year ended June 30, 2025, the Foundation recorded approximately \$5.4 million, in revenues from the University and related affiliates, which is included in rental revenues and other revenues on the consolidated statements of activities and changes in net assets.

NOTE 18 - LEASING ACTIVITIES

The Foundation, through its consolidated subsidiaries ULREF and ULDC, leases certain real estate and facilities to third-party tenants and to joint venture entities under non-cancelable operating and ground lease agreements. As of June 30, 2025, ULF had various leases expiring monthly to 81 years, through 2106. Rental income from these leases and ground lease agreements is recognized on a straight-line basis over the related lease terms and is reported as rental income in the accompanying consolidated statements of activities.

Rental revenue for the year ended June 30 was as follows (in thousands):

	2025
Base minimum rents	\$ 19,535
Common area maintenance	346
	\$ 19,881

Future lease payments due to ULF on noncancelable leases are as follows (in thousands):

2026	\$ 8,113
2027	7,096
2028	6,230
2029	5,220
2030	3,566
Thereafter	45,346
	\$ 75,571

Included in the amounts above is a certain property that requires ULREF to pay approximately \$450,000 annually in rent for 10 years, with escalating provisions during the lease term. This property is subleased to the University. The basic provisions of ULREF's sublease for this property are equal to ULREF's lease commitment.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 19 - FUNCTIONAL EXPENSES

The Foundation's primary program service is contributions and allocations to the University. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques as follows:

Expenses	Method of Allocation
Salaries	Time and effort
Utilities	Square footage
General and administrative	Time and effort
Professional services	Time and effort
Depreciation and amortization	Square footage

Expenses by functional classification for the year ended June 30, were as follows (in thousands):

	2025				
	Program Services	Real Estate Operations	Management and General	Fundraising	Total
Contributions and allocations to University of Louisville departments	\$ 60,111	\$ 2,136	\$ -	\$ 5,000	\$ 67,247
Contributions and allocations to UofL Health - Louisville, Inc.	2,388	-	-	-	2,388
Salaries	-	3,875	836	-	4,711
Utilities	-	2,389	28	-	2,417
General and administrative	-	3,361	588	-	3,949
Lease expense	-	1,306	-	-	1,306
Professional services	-	2,036	390	-	2,426
Repairs and maintenance	-	4,777	-	-	4,777
Depreciation and amortization	-	13,511	39	-	13,550
Interest expense	-	1,765	1,629	-	3,394
Other expenses	-	-	587	-	587
Total expenses	62,499	35,156	4,097	5,000	106,752
Provision for uncollectible contributions receivable	-	-	-	1,791	1,791
Actuarial gain on annuity and unitrust obligations	36	-	-	-	36
Total expenses and losses	\$ 62,535	\$ 35,156	\$ 4,097	\$ 6,791	\$ 108,579

Interest expense attributable to more than one functional expense category is allocated based on the underlying nature of the debt.

University of Louisville Foundation, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025

NOTE 20 - COMMITMENTS AND CONTINGENCIES

The Foundation is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. Management assesses the probable outcome of unresolved litigation and records estimated settlements, if applicable. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material effect on the consolidated financial position, results of activities, and changes in net assets and cash flows of the Foundation.

NOTE 21 - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 30, 2025, which is the date the consolidated financial statements were issued. No events were identified that required recognition and/or disclosure in the consolidated financial statements.