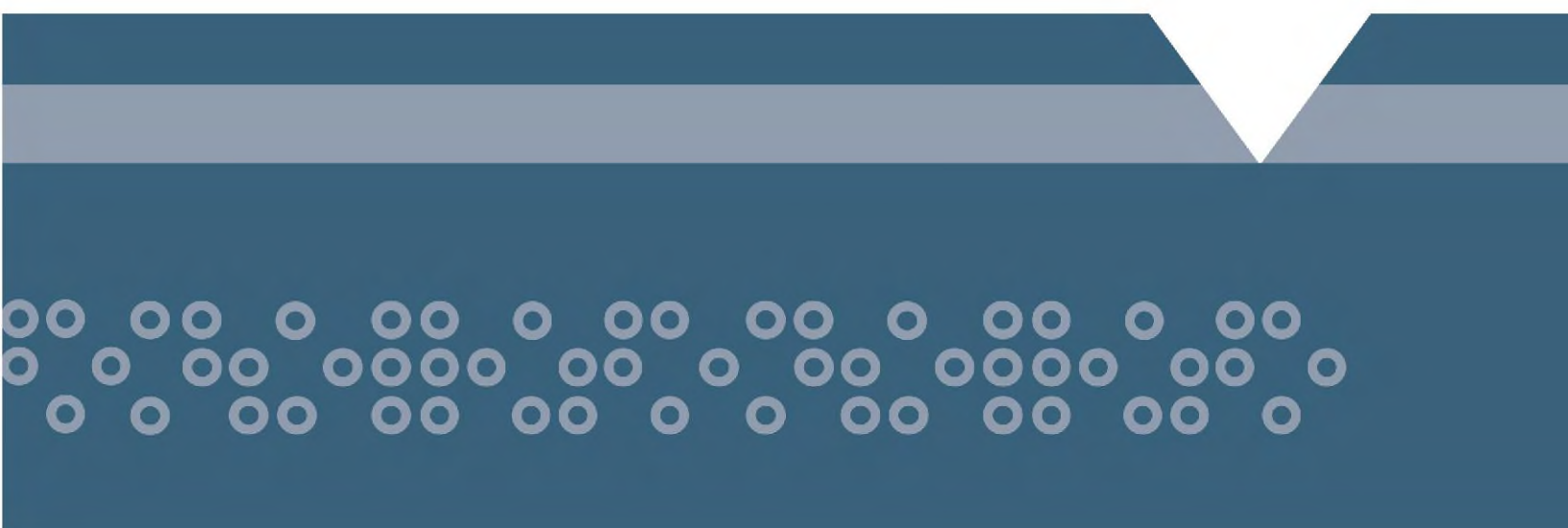


The LSU in Shreveport Foundation, Inc.
Shreveport, Louisiana

June 30, 2025 and 2024



THE LSU IN SHREVEPORT FOUNDATION, INC.

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JUNE 30, 2025 AND 2024

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AUDITED FINANCIAL STATEMENTS



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Board of Directors
The LSU in Shreveport Foundation, Inc.
Shreveport, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The LSU in Shreveport Foundation, Inc. and its subsidiary (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information included on pages 21 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana
December 30, 2025

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 102,644	\$ 490,291
Investments	36,421,075	33,317,125
Prepaid expenses	68,368	11,144
Property and equipment, net	134,330	132,991
Operating lease right-of-use asset	56,278	15,333
Other assets	1,800	-
Collection (see Note 2)	-	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 36,784,495</u>	<u>\$ 33,966,884</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 346,767	\$ 529,286
Due to LSU in Shreveport	9,742,732	9,097,967
Operating lease liability-current portion	19,780	15,333
Operating lease liability-noncurrent portion	36,498	-
Total liabilities	<u>10,145,777</u>	<u>9,642,586</u>
Net assets:		
Without donor restrictions:		
Designated by board for endowment	191,525	174,299
Undesignated	138,734	219,377
Investment in capital assets	130,463	132,991
Total without donor restrictions	<u>460,722</u>	<u>526,667</u>
With donor restrictions:		
Restricted for specified purposes	14,232,812	12,278,302
Restricted in perpetuity-endowment	11,945,184	11,519,329
Total with donor restrictions	<u>26,177,996</u>	<u>23,797,631</u>
Total net assets	<u>26,638,718</u>	<u>24,324,298</u>
Total liabilities and net assets	<u>\$ 36,784,495</u>	<u>\$ 33,966,884</u>

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues, and investment return:			
Contributions	\$ 121,844	\$ 1,357,445	\$ 1,479,289
Investment return, net	268,280	2,574,159	2,842,439
Endowment management fees	617,744	(454,730)	163,014
Total support, revenues, and investment return	1,007,868	3,476,874	4,484,742
Net assets released from restrictions	1,096,509	(1,096,509)	-
 Total support, revenues, investment return, and reclassifications	 2,104,377	 2,380,365	 4,484,742
Expenses:			
Program services	1,687,134	-	1,687,134
Management and general	435,445	-	435,445
Fundraising and development	47,743	-	47,743
Total expenses	2,170,322	-	2,170,322
 Change in net assets	 (65,945)	 2,380,365	 2,314,420
 Net assets at beginning of year	 526,667	 23,797,631	 24,324,298
 Net assets at end of year	 \$ 460,722	 \$ 26,177,996	 \$ 26,638,718

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues, and investment return:			
Contributions	\$ 55,984	\$ 1,260,857	\$ 1,316,841
Investment return, net	249,561	2,711,126	2,960,687
Endowment management fees	579,557	(422,229)	157,328
Other	30,514	-	30,514
Total support, revenues, and investment return	915,616	3,549,754	4,465,370
Net assets released from restrictions	<u>1,624,277</u>	<u>(1,624,277)</u>	<u>-</u>
Total support, revenues, investment return, and reclassifications	2,539,893	1,925,477	4,465,370
Expenses:			
Program services	2,076,753	-	2,076,753
Management and general	450,496	-	450,496
Fundraising and development	97,537	-	97,537
Total expenses	<u>2,624,786</u>	<u>-</u>	<u>2,624,786</u>
Change in net assets	(84,893)	1,925,477	1,840,584
Net assets at beginning of year	<u>611,560</u>	<u>21,872,154</u>	<u>22,483,714</u>
Net assets at end of year	<u>\$ 526,667</u>	<u>\$ 23,797,631</u>	<u>\$ 24,324,298</u>

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services										Total	
	Instruction	Research	Public Support	Academic Support	Athletics	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Management and General		Fundraising and Development
Salaries and related benefits	\$ 421,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,825	\$ -	\$ 2,512	\$ 212,690	\$ 43,627	\$ 686,625
Travel	4,643	-	-	735	60,930	300	136,824	-	-	3,609	840	207,881
Operational services	9,489	-	-	-	2,458	-	1,653	54,740	-	21,891	-	90,231
Supplies	-	-	-	1,061	35,182	-	78,313	4,545	-	14,418	-	133,519
Memberships	728	-	-	-	2,246	-	48,232	-	-	4,520	900	56,626
Professional services	1,884	-	2,587	9,081	17,153	883	87,383	47,143	-	157,280	1,525	324,919
Meals and entertainment	1,001	-	-	7,393	18,830	-	123,848	-	-	4,403	851	156,326
Other charges	18,674	-	6,500	2,527	5,149	2,500	156,979	1,121	225	13,972	-	207,647
Scholarships	13,000	-	-	-	-	-	16,666	-	249,436	-	-	279,102
Equipment and major repairs	-	-	-	-	18,212	-	6,572	-	-	-	-	24,784
Depreciation	-	-	-	-	-	-	-	-	-	2,662	-	2,662
	<u>\$ 471,390</u>	<u>\$ -</u>	<u>\$ 9,087</u>	<u>\$ 20,797</u>	<u>\$ 160,160</u>	<u>\$ 3,683</u>	<u>\$ 662,295</u>	<u>\$ 107,549</u>	<u>\$ 252,173</u>	<u>\$ 435,445</u>	<u>\$ 47,743</u>	<u>\$ 2,170,322</u>

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services											Total
	Instruction	Research	Public Support	Academic Support	Athletics	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarships and Fellowships	Management and General	Fundraising and Development	
Salaries and related benefits	\$ 244,160	\$ -	\$ -	\$ 135,820	\$ -	\$ -	\$ -	\$ -	\$ 6,347	\$ 222,383	\$ 38,625	\$ 647,335
Travel	8,980	-	283	61	57,596	-	85,037	62	-	1,285	2,243	155,547
Operational services	5,365	-	-	1,021	9,135	-	43,091	34,795	-	30,759	9,968	134,134
Supplies	26,604	879	1,578	2,743	40,132	399	78,865	2,092	246	6,360	8,062	167,980
Memberships	3,840	-	250	50	-	-	37,906	-	-	7,042	10,673	59,761
Professional services	4,990	-	1,200	2,566	19,957	-	499,268	30,785	269	158,886	6,834	724,755
Meals and entertainment	4,060	-	-	1,677	8,084	142	117,578	2,089	5,316	7,553	19,095	165,594
Other charges	5,355	-	175	2,182	1,690	-	221,127	75,605	-	13,679	2,037	321,850
Scholarships	650	-	-	3,540	9,403	1,129	6,818	-	223,761	-	-	245,301
Equipment and major repairs	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	2,529	-	2,529
	<u>\$ 304,004</u>	<u>\$ 879</u>	<u>\$ 3,486</u>	<u>\$ 149,660</u>	<u>\$ 145,997</u>	<u>\$ 1,670</u>	<u>\$ 1,089,690</u>	<u>\$ 145,428</u>	<u>\$ 235,939</u>	<u>\$ 450,496</u>	<u>\$ 97,537</u>	<u>\$ 2,624,786</u>

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 2,314,420	\$ 1,840,584
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	2,662	2,529
Realized gain from investments	(59,954)	(552,001)
Unrealized gain from investments	(2,985,772)	(2,426,353)
Net change in:		
Other receivable	-	9,233
Prepaid expenses	(57,224)	(8,857)
Other assets	(1,800)	-
Accounts payable	(182,520)	475,709
Due to LSU in Shreveport	644,765	779,935
Total adjustments	(2,639,843)	(1,719,805)
Net cash (used in) provided by operating activities	(325,423)	120,779
 Cash flows from investing activities:		
Purchase of investments	(832,544)	(1,104,686)
Proceeds from sales and maturities of investments	774,320	900,000
Purchase of property and equipment	(4,000)	-
Net cash (used in) investing activities	(62,224)	(204,686)
 Net change in cash and cash equivalents	(387,647)	(83,907)
 Cash and cash equivalents - beginning of year	490,291	574,198
 Cash and cash equivalents - end of year	\$ 102,644	\$ 490,291

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

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

1. Nature of Business

The LSU in Shreveport Foundation, Inc. ("Foundation") is a private, nonprofit corporation governed by a board of directors. The Foundation's goal is to promote the education and cultural welfare of Louisiana State University in Shreveport ("University"). The Foundation's activities include management of gifts, grants and endowments for the purpose of providing scholarships, research activities and any other such benefit for the University and its faculty and students as may be prescribed by donors to the Foundation.

LSUS Realty, LLC was formed on December 15, 2000. The purpose of LSUS Realty, LLC is to accept property donated to the Foundation. The Foundation is the sole member of LSUS Realty, LLC and, therefore, the activity of LSUS Realty, LLC has been consolidated with that of the Foundation. All of the assets and net assets of LSUS Realty, LLC were moved to the unrestricted net assets of the Foundation during the year ended June 30, 2002. During the year ended June 30, 2020, LSUS Realty, LLC received an in-kind contribution of the assets of the Spring Street Museum, comprising property, a collection, and beneficial interest in a supporting organization (see Note 12). For the years ended June 30, 2025 and 2024, substantially all the activity of LSUS Realty, LLC comprises the operations and support of the Spring Street Museum.

2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP), under which revenues are recorded when earned, and expenses are recorded when the liability is incurred.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- ***Net assets without donor restrictions.*** Net assets that are not subject to donor-imposed stipulations. Some net assets without donor restrictions may be designated by the Board for specific purposes.
- ***Net assets with donor restrictions.*** Net assets subject to donor or grantor restrictions that may or will be met by actions of the Foundation and/or the passage of time.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as contributions of net assets with donor restrictions, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Income Taxes

The LSU in Shreveport Foundation, Inc. and its subsidiary qualify as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements, but the Foundation is required to file an annual information tax return. The Foundation is also required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it is a tax-exempt entity. The Foundation must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation files U. S. federal Form 990 for informational purposes. The Foundation's federal income tax returns for the past three tax years remain subject to examination by the Internal Revenue Service.

Investments

Investments are reported at fair value, which is determined by the last reported sales price at current exchange rates, if traded on a national exchange, and investments that do not have an established market are reported at estimated fair value. Cash deposits are recorded at carrying amount which reasonably estimates fair value. Fixed income securities are generally valued by reference to outside pricing services, generally using a matrix system incorporating security quality, maturity, and coupon as the valuation model parameters, research, and a review of broker-dealer market price quotations. Short-term investments are valued at amortized cost which approximates market value.

The asset allocation of the Foundation's investment portfolio involves exposure to a diverse set of markets. The investments within these markets involve various risks, such as interest rate, market, credit, and liquidity risks. The Foundation anticipates that the value of its investments may, from time to time, fluctuate substantially as a result of these risks.

Endowment Management Fees

On November 21, 2006, the Foundation entered into a management agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU) whereby the Foundation shall hold funds on behalf of LSU solely for the purpose of investing the funds. The Foundation may assess its standard management fees annually to cover its administrative costs. The

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

agreement shall remain in effect until a 120-day written notice is given by either party to the other party. The management fee rate is 2.50% and was assessed on a semi-annual basis during the years ended June 30, 2024 and 2023. Effective July 1, 2023, the Foundation began assessing endowment management fees quarterly. Management fees charged to funds held on behalf of LSU in Shreveport for the years ended June 30, 2024 and 2023, respectively, were \$210,060 and \$157,328.

Property and Equipment

Depreciation is provided on the straight-line method based on the estimated useful lives of the depreciable assets, which is estimated at thirty-nine years. The Foundation capitalizes expenditures in excess of \$2,500 for fixed assets at cost. Donation of property and equipment are capitalized at their estimated fair value at the date contributed.

Leases

Operating lease right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company has made an accounting policy to apply a risk-free rate at the lease commencement date in determining the present value of future payments unless there is an interest rate implicit in the lease. The operating lease ROU asset also includes any upfront lease payments made and excludes lease incentives and initial direct costs incurred. The Company has elected the practical expedients allowing (1) the short-term lease recognition exemption whereby ROU assets and lease liabilities will not be recognized for leasing arrangements with terms less than one year and (2) the combination of lease and non-lease components and expensing variable payments as rent/lease expense in the period incurred.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the condition on which they depend has been substantially met.

Collection

The collection, which was acquired through the in-kind contribution of the Spring Street Museum (see Note 12), is not recognized as an asset on the statement of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired, or as decreases in net assets with donor restrictions if the assets used to purchase the items were restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. There was no collection activity for the two years ended June 30, 2025.

In-Kind Contributions

Material in-kind contributions received by the Foundation are recorded at fair value as contributions revenue along with a corresponding charge to asset or expense in accordance with the Foundation's accounting policies. There were no in-kind contributions received during the two years ended June 30, 2025.

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Certain categories of expenses can be directly classified as incurred while others require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, operational services, professional services, and meals and entertainment, which are allocated on the basis of estimates of time and effort or other reasonable basis.

Liquidity

The Foundation has \$1,022,303 and \$1,015,530 of consolidated financial assets not subject to donor restrictions that are available within one year of the balance sheet date as of June 30, 2025 and 2024, respectively, which include assets of LSUS Realty, LLC not subject to donor restriction, and consist of the following:

	2025	2024
Cash and cash equivalents	\$ 102,644	\$ 490,291
Investments	919,659	525,239
	\$ 1,022,303	\$ 1,015,530

Management has a goal to maintain cash and short-term investments on hand to meet six months of normal operating expenses.

3. Investments

Major classifications of investments at June 30, 2025 and 2024, follow:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Money market accounts	\$ 1,258,333	\$ 1,258,333	\$ 908,869	\$ 908,869
Bond funds	10,367,501	10,346,948	10,108,227	10,254,755
Equity funds - domestic	17,384,529	12,712,198	16,021,004	12,953,636
Equity funds - international	7,410,712	5,122,728	6,279,025	5,059,794
	\$ 36,421,075	\$ 29,440,207	\$ 33,317,125	\$ 29,177,054

Net realized and unrealized gains during the year ended June 30, 2025, were \$3,045,726, which included \$2,118,685 as a net gain to the Foundation and \$927,041 recognized as an increase in funds due to LSU in Shreveport. Net realized and unrealized gains during the year ended June 30, 2024, were \$2,978,354, which included \$2,094,573 as a net gain to the Foundation and \$883,781 recognized as an increase in funds due to LSU in Shreveport.

Total investments as of June 30, 2025 and 2024 were uninsured and were not collateralized. Cash and cash equivalents are federally insured by the FDIC up to \$250,000. As of June 30, 2025 and 2024 Cadence Bank has pledged securities as collateral for the balance exceeding \$250,000.

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

4. Property and Equipment

Included in property and equipment at June 30, 2025 and 2024, are the following:

	2025	2024
Land	\$ 46,400	\$ 46,400
Building and improvements	98,600	98,600
Vehicle and equipment	4,000	-
	149,000	145,000
Accumulated depreciation	(14,670)	(12,009)
Property and equipment, net	\$ 134,330	\$ 132,991

5. Due to LSU in Shreveport

The amount due to LSU in Shreveport represents the State of Louisiana matched funds which are being held and invested for the University by The LSU in Shreveport Foundation for the following endowed chairs, professorships, and scholarships as of June 30, 2025 and 2024:

	2025	2024
<u>Instruction:</u>		
Jerry D. Boughton Professorship in Business	\$ 68,759	\$ 64,597
Joe and Abby Averett Professorship in Business	68,795	64,524
BellSouth Professorship in Business	72,798	68,380
Alta and John Franks MBA Program Professorship	59,040	55,448
M. R. Ballard Professorship in Accounting	99,749	93,788
Armand and Lynn Roos Professorship in Business and Health Administration	56,562	54,450
James C. and Ann W. Gardner Professorship in Civic Engagement and Leadership	74,251	69,745
Kilpatrick Life Insurance Professorship	1,083,398	983,124
Oscar Cloyd Real Estate Professorship	331,846	312,218
Wesson-Bridger Professorship in Teacher Education	80,366	75,448
Capital One Education and Human Development Professorship	66,312	61,562
V. Stewart Education Student Teaching Professorship	86,581	81,550
Dalton J. Woods Professorship in Teaching	76,944	72,635
Kelly Kemp Graves Professorship in Early Childhood Education	63,598	57,782
Riemer and Marcia Calhoun Professorship in Education	64,185	60,608
Goodloe Stuck Professorship in Psychology	58,937	55,547
Elmer N. Simon, Jr. Professorship for Excellence in Teaching	69,150	64,633

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Blue Cross & Blue Shield of Louisiana Professorship	61,478	57,847
Vincent J. Marsala Alumni Professorship	81,519	76,611
Bruce and Steve Simon Professorship	71,842	67,057
William C. Woolf Rising Star Professorship	59,315	55,736
Wheless Rising Star Professorship	59,835	55,226
James K. Elrod Professorship in Health Care Administration	681,383	640,431
Fred and Sybil Patten Excellence in Teaching in Liberal Arts Professorship	89,313	83,609
India Studies Professorship	122,000	114,428
Dr. Dalton & Peggy Cloud Professorship in Communications	78,245	73,425
LSUS Debate Professorship	80,386	75,292
Leonard and Mary Ann Selber Professorship	94,470	87,028
Dr. Norman A. Dolch Professorship in American Humanics	177,578	166,847
American Studies Chair	948,708	890,492
Hubert H. Humphreys History Professorship	68,233	63,920
O. Delton Harrison, Jr. Master of Liberal Arts Professorship	65,791	61,888
George and Regina Khoury Professorship in Science	241,984	220,225
Abe I. Sadoff Chair	632,680	585,453
Samuel & Mary Abramson Professorship	72,164	67,192
Dr. Richard K. Speairs Professorship in Field Biology	87,645	82,244
Harman and Renae Chandler Professorship for Masters in Biological Science	58,785	55,253
Don and Earlene Coleman Red River Watershed Management Institute Professorship	84,222	79,044
George Khoury Professorship in Space Science	183,270	168,637
Max and Jasmine Morelock Professorship in Chemistry	56,831	53,341
Lisa A. Burke Bioinformatics Professorship	64,172	59,848
AEP SWEPCO LaPrep Professorship	633,581	617,782
Miriam Sklar Super Professorship in Theoretical Math and Physics	108,372	98,336
Archives and Oral History	29,495	26,594
Joe B. Calloway Jr. Professorship in Insurance	56,330	52,916
George Khoury Professorship in Kinesiology	56,583	55,220

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	<u>2025</u>	<u>2024</u>
<u>Academic Support:</u>		
Bobbie C. Hicks Professorship - Authors in April	147,945	139,086
Yancey Strain Endowed Professorship Spring St. Museum	22,217	21,950
Hubert and Pat Hervey Professorship of Museum of Life Sciences	83,726	78,573
Life Science Museum Professorship & Curatorship	71,248	66,990
William B. Wiener Professorship of Archives and Historical Preservation	58,717	55,247
Ruth H. Noel Chair	1,104,885	1,031,413
<u>Scholarships and Fellowships:</u>		
John and Cheryl Good Scholarship	67,003	61,931
Dalton J. and Sugar Woods Scholarship	90,030	83,156
Phillip and Alma Rozeman Scholarship	73,875	69,261
LSUS Alumni - First Generation Endowed Scholarship	25,239	22,466
Salvadore and Kendra Miletello Scholarship	78,962	73,121
Alta and John Franks First Generation Scholarship	72,912	67,652
Herman and Renae Chandler First Generation Scholarship	77,516	72,542
Michael Woods Family First Generation Scholarship	60,948	56,077
Helen & Frank Katzenstien Scholarship	32,809	30,032
George P. Bonner Scholarship	25,133	22,674
Kathy G. Troquille Memorial Scholarship	62,086	57,835
	<u>\$ 9,742,732</u>	<u>\$ 9,097,967</u>

6. Leases

As lessee, the Foundation leases office and storage space under noncancellable operating leases with original terms of 24 to 36 months. Lease renewal options are included in the expected lease term if they are reasonably certain of being exercised. The Foundation has no financing leases.

For the years ended June 30, 2025 and 2024, respectively, operating lease costs were \$21,025 and \$18,750.

Supplemental information related to the Company's leases for the years ended June 30, 2025 and 2024, was as follows:

Cash paid for operating leases	\$ 21,025	\$ 18,750
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 59,501	\$ -
Remaining lease term (in years)	2.75	0.83
Discount rate applied (%)	3.85%	3.85%

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7. Net Assets Restricted for Specified Purposes

Net assets restricted for specified purposes consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Instruction	\$ 4,930,210	\$ 5,758,457
Research	20,335	21,185
Public service	160,534	105,594
Academic support	2,922,745	2,832,008
Athletics	481,907	236,730
Student services	106,019	111,510
Institutional support	91,836	92,133
Operation and maintenance of plant	14,409	17,208
Development	36,298	36,298
Scholarships and fellowships	5,468,519	3,067,179
	<u>\$ 14,232,812</u>	<u>\$ 12,278,302</u>

8. Net Assets Restricted in Perpetuity—Endowment

Net assets restricted in perpetuity (endowment) consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Instruction	\$ 5,940,339	\$ 5,940,091
Public service	60,000	60,000
Academic support	1,510,917	1,510,917
Athletics	200,000	-
Institutional support	157,402	111,950
Operation and maintenance of plant	94,086	94,086
Scholarships and fellowships	3,982,440	3,802,285
	<u>\$ 11,945,184</u>	<u>\$ 11,519,329</u>

9. Endowed Net Assets

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility.

Private endowed contributions received for professorships, chairs, and scholarships are included in endowed net assets. Certain endowed funds are provided by the State of Louisiana as a match to these qualifying private endowed contributions and are managed under agreement with the University for the University's benefit. These endowed assets are further subject to the investment and spending policies established by the Louisiana Board of Regents, which has statutory authority to administer the matching funds program.

THE LSU IN SHREVEPORT FOUNDATION, INC.
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A spending rate is determined by the Foundation’s Board of Directors, with consideration given to market conditions, the spending levels of peer institutions, and historical returns. The objective is to provide relatively stable spending allocations. The Board approved a discretionary spending rate of up to 4.25% for fiscal years ended June 30, 2025 and 2024, based on a separate review of each individual endowment’s performance.

Effective July 1, 2010, the Louisiana legislature enacted Act No. 168 (“Act”) to implement the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

The Foundation’s Board of Directors has adopted the investment policies set forth by the Louisiana Board of Regents and applies these policies to all endowments. Prior to January 2012, the Louisiana Board of Regents spending policy dictated that no portion of the inflation-adjusted corpus, as defined by the Board of Regents, was to be allocated for spending. Effective July 1, 2008, the Louisiana Board of Regents temporarily waived the inflation-adjustment requirement for original corpus. Effective January 26, 2012, the Louisiana Board of Regents investment policy was revised and states that annual spending must be determined in accordance with UPMIFA. However, the market value of each endowment at the end of the most recent fiscal trust fund year must exceed the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal trust fund year for which a spending allocation is to be made. When the current market value of each endowment is below the original corpus, no spending is allowed.

Endowment fund net asset composition as of June 30, 2025:

	Without Donor Restrictions	Restricted for Specified Purposes	Restricted in Perpetuity	Total
Endowment net assets, June 30, 2024	\$ 174,299	\$ 8,832,610	\$ 11,519,329	\$ 20,526,238
Contributions	-	45,750	425,855	471,605
Net investment income (loss)	30,817	2,601,148	-	2,631,965
Appropriation of endowment assets for expenditure	(13,591)	(1,053,086)	-	(1,066,677)
Interfund transfers	-	76,950	-	76,950
Endowment net assets, June 30, 2025	<u>\$ 191,525</u>	<u>\$ 10,503,372</u>	<u>\$ 11,945,184</u>	<u>\$ 22,640,081</u>
Donor-restricted endowment	\$ -	\$ 10,503,372	\$ 11,945,184	\$ 22,448,556
Board-designated endowment	<u>191,525</u>	-	-	<u>191,525</u>
Total	<u>\$ 191,525</u>	<u>\$ 10,503,372</u>	<u>\$ 11,945,184</u>	<u>\$ 22,640,081</u>

THE LSU IN SHREVEPORT FOUNDATION, INC.
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Endowment fund net asset composition as of June 30, 2024:

	Without Donor Restrictions	Restricted for Specified Purposes	Restricted in Perpetuity	Total
Endowment net assets, June 30, 2023	\$ 155,453	\$ 7,178,709	\$ 11,330,907	\$ 18,665,069
Contributions	-	-	188,422	188,422
Net investment income (loss)	26,221	2,119,971	-	2,146,192
Appropriation of endowment assets for expenditure	(7,375)	(573,024)	-	(580,399)
Interfund transfers	-	106,954	-	106,954
Endowment net assets, June 30, 2024	<u>\$ 174,299</u>	<u>\$ 8,832,610</u>	<u>\$ 11,519,329</u>	<u>\$ 20,526,238</u>
Donor-restricted endowment	\$ -	\$ 8,832,610	\$ 11,519,329	\$ 20,351,939
Board-designated endowment	<u>174,299</u>	-	-	<u>174,299</u>
Total	<u>\$ 174,299</u>	<u>\$ 8,832,610</u>	<u>\$ 11,519,329</u>	<u>\$ 20,526,238</u>

10. Transactions with Louisiana State University in Shreveport

In the normal course of operations, the University pays expenditures on behalf of the Foundation and recognizes scholarship revenue based on the Foundation's awards. The University invoices the Foundation monthly. Included in accounts payable as of June 30, 2025 and 2024, were \$291,260 and \$210,256 due to the University for such expense reimbursement and scholarship awards.

11. Fair Value Measurements

Accounting standards require disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

THE LSU IN SHREVEPORT FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Fair values of assets and liabilities measured on a recurring basis at June 30, 2025 and 2024, are as follows:

	<i>Assets at Fair Value as of June 30, 2025</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ 1,258,333	\$ -	\$ -	\$ 1,258,333
Mutual funds:				
Bond funds	10,367,501	-	-	10,367,501
Equity funds - domestic	17,384,529	-	-	17,384,529
Equity funds - international	7,410,712	-	-	7,410,712
Total mutual funds	<u>35,162,742</u>	-	-	<u>35,162,742</u>
Common stock-domestic	-	-	-	-
Total	<u>\$ 36,421,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,421,075</u>

	<i>Assets at Fair Value as of June 30, 2024</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ 908,869	\$ -	\$ -	\$ 908,869
Mutual funds:				
Bond funds	10,108,227	-	-	10,108,227
Equity funds - domestic	16,021,004	-	-	16,021,004
Equity funds - international	6,279,025	-	-	6,279,025
Total mutual funds	<u>32,408,256</u>	-	-	<u>32,408,256</u>
Common stock-domestic	-	-	-	-
Total	<u>\$ 33,317,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,317,125</u>

12. Subsequent Events

The Foundation evaluated events and transactions that occurred after the consolidated statement of financial position date but before the consolidated financial statements were made available for issuance for potential recognition or disclosure in the consolidated financial statements. The Foundation evaluated such events through December 30, 2025.

SUPPLEMENTARY INFORMATION

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATING SCHEDULE I – STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS	LSUS Foundation	LSUS Realty	Eliminating Entries	Total
Cash and cash equivalents	\$ 98,922	\$ 3,722	\$ -	\$ 102,644
Investments	35,198,670	1,222,405	-	36,421,075
Contributions receivable	-	-	-	-
Other receivable	-	328,589	(328,589)	-
Prepaid expenses	68,368	-	-	68,368
Property and equipment, net	3,867	130,463	-	134,330
Operating lease right-of-use asset	56,278	-	-	56,278
Other assets	1,800	-	-	1,800
Collection (see Note 2)	-	-	-	-
Total assets	\$ 35,427,905	\$ 1,685,179	\$ (328,589)	\$ 36,784,495
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 675,356	\$ -	\$ (328,589)	\$ 346,767
Due to LSU in Shreveport	9,742,732	-	-	9,742,732
Operating lease liability-current	19,780	-	-	19,780
Operating lease liability-noncurrent	36,498	-	-	36,498
Total liabilities	10,474,366	-	(328,589)	10,145,777
Net assets:				
Without donor restrictions:				
Designated by board for endowment	191,525	-	-	191,525
Undesignated	138,734	-	-	138,734
Investment in capital assets	-	130,463	-	130,463
Total without donor restrictions	330,259	130,463	-	460,722
With donor restrictions:				
Restricted for specified purposes	12,678,096	1,554,716	-	14,232,812
Restricted in perpetuity-endowment	11,945,184	-	-	11,945,184
Total with donor restrictions	24,623,280	1,554,716	-	26,177,996
Total net assets	24,953,539	1,685,179	-	26,638,718
Total liabilities and net assets	\$ 35,427,905	\$ 1,685,179	\$ (328,589)	\$ 36,784,495

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATING SCHEDULE II – STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	LSUS Foundation	LSUS Realty	Eliminating Entries	Total
<i>Change in net assets without donor restrictions:</i>				
Support, revenues, and investment return:				
Contributions	\$ 121,844	\$ -	\$ -	\$ 121,844
Investment return, net	268,280	-	-	268,280
Endowment management fees	617,744	-	-	617,744
Other	-	-	-	-
Total support, revenues, and investment return	1,007,868	-	-	1,007,868
Net assets released from restrictions	1,061,196	35,313	-	1,096,509
Transfers between classifications	-	-	-	-
Total support, revenues, investment return and reclassifications	2,069,064	35,313	-	2,104,377
Expenses:				
Program services	1,651,821	35,313	-	1,687,134
Management and general	432,917	2,528	-	435,445
Fundraising and development	47,743	-	-	47,743
Total expenses	2,132,481	37,841	-	2,170,322
Change in net assets without donor restrictions	(63,417)	(2,528)	-	(65,945)
<i>Change in net assets with donor restrictions:</i>				
Support, revenues, and investment return:				
Contributions	1,641,985	(284,540)	-	1,357,445
Investment return, net	2,410,705	163,454	-	2,574,159
Endowment management fees	(452,988)	(1,742)	-	(454,730)
Total support, revenues, and investment return	3,599,702	(122,828)	-	3,476,874
Net assets released from restrictions	(1,061,196)	(35,313)	-	(1,096,509)
Transfers between classifications	-	-	-	-
Change in net assets with donor restrictions	2,538,506	(158,141)	-	2,380,365
Change in net assets	2,475,089	(160,669)	-	2,314,420
Net assets at beginning of year	22,478,450	1,845,848	-	24,324,298
Net assets at end of year	\$ 24,953,539	\$ 1,685,179	\$ -	\$ 26,638,718

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATING SCHEDULE III – STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	LSUS Foundation	LSUS Realty	Eliminating Entries	Total
Cash and cash equivalents	\$ 346,569	\$ 143,722	\$ -	\$ 490,291
Investments	31,970,432	1,346,693	-	33,317,125
Contributions receivable	-	-	-	-
Other receivable	11,368	233,810	(245,178)	-
Prepaid expenses	11,144	-	-	11,144
Property and equipment, net	-	132,991	-	132,991
Operating lease right-of-use asset	15,333	-	-	15,333
Collection (see Note 2)	-	-	-	-
Total assets	\$ 32,354,846	\$ 1,857,216	\$ (245,178)	\$ 33,966,884
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 763,096	\$ 11,368	\$ (245,178)	\$ 529,286
Due to LSU in Shreveport	9,097,967	-	-	9,097,967
Operating lease liability-current	15,333	-	-	15,333
Operating lease liability-noncurrent	-	-	-	-
Total liabilities	9,876,396	11,368	(245,178)	9,642,586
Net assets:				
Without donor restrictions:				
Designated by board for endowment	174,299	-	-	174,299
Undesignated	219,377	-	-	219,377
Investment in capital assets	-	132,991	-	132,991
Total without donor restrictions	393,676	132,991	-	526,667
With donor restrictions:				
Restricted for specified purposes	10,565,445	1,712,857	-	12,278,302
Restricted in perpetuity-endowment	11,519,329	-	-	11,519,329
Total with donor restrictions	22,084,774	1,712,857	-	23,797,631
Total net assets	22,478,450	1,845,848	-	24,324,298
Total liabilities and net assets	\$ 32,354,846	\$ 1,857,216	\$ (245,178)	\$ 33,966,884

THE LSU IN SHREVEPORT FOUNDATION, INC.
CONSOLIDATING SCHEDULE IV – STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	LSUS Foundation	LSUS Realty	Eliminating Entries	Total
<i>Change in net assets without donor restrictions:</i>				
Support, revenues, and investment return:				
Contributions	\$ 55,984	\$ -	\$ -	\$ 55,984
Investment return, net	249,561	-	-	249,561
Endowment management fees	579,557	-	-	579,557
Other	30,514	-	-	30,514
Total support, revenues, and investment return	915,616	-	-	915,616
Net assets released from restrictions	1,579,977	44,300	-	1,624,277
Transfers between classifications	-	-	-	-
Total support, revenues, investment return and reclassifications	2,495,593	44,300	-	2,539,893
Expenses:				
Program services	2,032,453	44,300	-	2,076,753
Management and general	447,967	2,529	-	450,496
Fundraising and development	97,537	-	-	97,537
Total expenses	2,577,957	46,829	-	2,624,786
Change in net assets without donor restrictions	(82,364)	(2,529)	-	(84,893)
<i>Change in net assets with donor restrictions:</i>				
Support, revenues, and investment return:				
Contributions	1,259,057	1,800	-	1,260,857
Investment return, net	2,541,760	169,366	-	2,711,126
Endowment management fees	(421,788)	(441)	-	(422,229)
Total support, revenues, and investment return	3,379,029	170,725	-	3,549,754
Net assets released from restrictions	(1,579,977)	(44,300)	-	(1,624,277)
Transfers between classifications	-	-	-	-
Change in net assets with donor restrictions	1,799,052	126,425	-	1,925,477
Change in net assets	1,716,688	123,896	-	1,840,584
Net assets at beginning of year	20,761,762	1,721,952	-	22,483,714
Net assets at end of year	\$ 22,478,450	\$ 1,845,848	\$ -	\$ 24,324,298