

Nicholls State University Foundation, Inc.

Financial Statements
And Independent Auditor's Report
Year Ended June 30, 2025

Nicholls State University Foundation, Inc.
Financial Statements and
Independent Auditor's Report
Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nicholls State University Foundation, Inc.
Thibodaux, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nicholls State University Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the Foundation has restated its June 30, 2024, financial statements to correct a misstatement related to an unrecorded property donation and software development costs, which were identified in the current year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

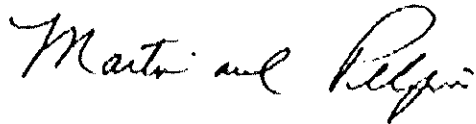
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Funds Held in Custody as of June 30, 2025 on pages 24-26 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 audit 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.



Houma, Louisiana
March 16, 2026

FINANCIAL STATEMENTS

Nicholls State University Foundation, Inc.
Statement of Financial Position
June 30, 2025

ASSETS

Current assets:

| | |
|------------------------------|------------------|
| Cash and cash equivalents | \$ 5,511,233 |
| Interest receivable | 68,793 |
| Other receivables | 86,864 |
| Restricted cash - endowments | 1,706,732 |
| Investments | 25,872,140 |
| Promises to give, net | <u>3,960,661</u> |
| Total current assets | 37,206,423 |

| | |
|---|---------------|
| Property, net of accumulated depreciation of \$48,760 | 1,051,240 |
| Software and prepaid hosting arrangement costs, net of accumulated amortization of \$113,780 | 2,069,720 |
| Antique collection | <u>75,830</u> |

| | |
|---------------------|------------------------------------|
| TOTAL ASSETS | <u><u>\$ 40,403,213</u></u> |
|---------------------|------------------------------------|

LIABILITIES AND NET ASSETS

Current liabilities:

| | |
|-------------------------------------|----------------|
| Line of credit | \$ 979,968 |
| Accounts payable | 45,644 |
| Other accrued expense | 4,237 |
| Current maturities of notes payable | <u>169,826</u> |
| Total current liabilities | 1,199,675 |

| | |
|---|---------|
| Note payable, net of current maturities | 180,372 |
|---|---------|

| | |
|-----------------------|------------------|
| Funds held in custody | |
| State funds | 3,771,404 |
| University funds | <u>6,249,407</u> |

| | |
|-------------------|-------------------|
| Total liabilities | <u>11,400,858</u> |
|-------------------|-------------------|

Net assets

| | |
|----------------------------|-------------------|
| Without donor restrictions | 656,240 |
| With donor restrictions | <u>28,346,115</u> |

| | |
|------------------|-------------------|
| Total net assets | <u>29,002,355</u> |
|------------------|-------------------|

| | |
|---|------------------------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 40,403,213</u></u> |
|---|------------------------------------|

See accompanying notes.

Nicholls State University Foundation, Inc.
Statement of Activities
Year Ended June 30, 2025

| | Without Restrictions | With Restrictions | Total |
|--|-------------------------|----------------------|----------------------|
| REVENUES AND OTHER SUPPORT | | | |
| Contributions | \$ 348,126 | \$ 5,399,650 | \$ 5,747,776 |
| Investment return, net | (9,214) | 1,389,731 | 1,380,517 |
| Athletic association revenues | - | 966,877 | 966,877 |
| Interest income | 244,700 | - | 244,700 |
| Net assets released from restrictions | 6,977,898 | (6,977,898) | - |
| TOTAL REVENUES AND OTHER SUPPORT | <u>7,561,510</u> | <u>778,360</u> | <u>8,339,870</u> |
| FUNCTIONAL EXPENSES | | | |
| Program services | 7,173,962 | - | 7,173,962 |
| Supporting services | | | |
| Management and general | 830,042 | - | 830,042 |
| Fundraising | 64,799 | - | 64,799 |
| TOTAL FUNCTIONAL EXPENSES | <u>8,068,803</u> | <u>-</u> | <u>8,068,803</u> |
| INCREASE (DECREASE) IN NET ASSETS | (507,293) | 778,360 | 271,067 |
| NET ASSETS, BEGINNING OF PERIOD (Note 17) | <u>1,163,533</u> | <u>27,567,755</u> | <u>28,731,288</u> |
| NET ASSETS, END OF PERIOD | <u>\$ 656,240</u> | <u>\$ 28,346,115</u> | <u>\$ 29,002,355</u> |

See accompanying notes.

Nicholls State University Foundation, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

| | <u>Program Services</u> | | | | | <u>Supporting Services</u> | | | |
|---------------------------|---|--------------------------------------|-------------------|---------------------------|------------------------------|----------------------------|------------------|---------------------------------|---------------------|
| | Endowed Chairs, Professorships, and 1st Generation Scholarships | Colonel's Athletic Association | Balanced Media | Other Program Services | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total |
| Grants to university | \$ 959,886 | \$ 1,969,714 | \$ - | \$ 3,353,381 | \$ 6,282,981 | \$ - | \$ - | \$ - | \$ 6,282,981 |
| Contracted services | - | - | 750,178 | - | 750,178 | 128,933 | - | 128,933 | 879,111 |
| Professional services | - | - | - | - | - | 235,777 | - | 235,777 | 235,777 |
| Interest | - | - | - | - | - | 121,898 | - | 121,898 | 121,898 |
| Salaries and benefits | - | - | - | - | - | 120,039 | - | 120,039 | 120,039 |
| Amortization | - | - | 113,780 | - | 113,780 | - | - | - | 113,780 |
| Other | 27,023 | - | - | - | 27,023 | 20,648 | 5,750 | 26,398 | 53,421 |
| Postage | - | - | - | - | - | 1,864 | 59,049 | 60,913 | 60,913 |
| Donations | - | - | - | - | - | 53,625 | - | 53,625 | 53,625 |
| Information technology | - | - | - | - | - | 51,235 | - | 51,235 | 51,235 |
| Bank and credit card fees | - | - | - | - | - | 25,056 | - | 25,056 | 25,056 |
| Depreciation | - | - | - | - | - | 22,500 | - | 22,500 | 22,500 |
| Meals and entertainment | - | - | - | - | - | 22,098 | - | 22,098 | 22,098 |
| Payroll taxes | - | - | - | - | - | 7,765 | - | 7,765 | 7,765 |
| Travel | - | - | - | - | - | 6,117 | - | 6,117 | 6,117 |
| Insurance | - | - | - | - | - | 5,580 | - | 5,580 | 5,580 |
| Office | - | - | - | - | - | 4,604 | - | 4,604 | 4,604 |
| Dues and subscriptions | - | - | - | - | - | 1,200 | - | 1,200 | 1,200 |
| Rent | - | - | - | - | - | 1,103 | - | 1,103 | 1,103 |
| Total Expenses | \$ 986,909 | \$ 1,969,714 | \$ 863,958 | \$ 3,353,381 | \$ 7,173,962 | \$ 830,042 | \$ 64,799 | \$ 894,841 | \$ 8,068,803 |

See accompanying notes.

Nicholls State University Foundation, Inc.
Statement of Cash Flows
Year Ended June 30, 2025

| | |
|--|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase in net assets | \$ 271,067 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | |
| Proceeds of contributions restricted for endowment purposes | 316,541 |
| Net gain from investments | (1,656,734) |
| Amortization | 113,780 |
| Depreciation | 22,500 |
| (Increase)/decrease in operating assets: | |
| Interest receivable | (7,222) |
| Promises to give | 546,305 |
| Other assets | (15,353) |
| Software and hosting arrangement costs | (317,500) |
| Increase/(decrease) in operating liabilities: | |
| Accounts payable | (591,720) |
| Other accrued expense | 4,237 |
| Funds held in custody | <u>424,889</u> |
| NET CASH USED IN OPERATING ACTIVITIES | <u>(889,210)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sales of investments | 12,789,089 |
| Purchases of investments | <u>(12,446,910)</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>342,179</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Repayments on line of credit, net of advances | (100,000) |
| Principal payments of long-term debt | (160,217) |
| Endowment fund contributions | <u>(215,867)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(476,084)</u> |
| NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | (1,023,115) |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>8,241,080</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$ 7,217,965</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | |
| Cash paid during the year for interest | <u>\$ 121,898</u> |

See accompanying notes.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Nature of the Foundation – The Nicholls State University Foundation, Inc. (the Foundation) was incorporated under Title 12, Section 101 et seq. of the State of Louisiana laws as a non-profit organization on June 25, 1964.

The objects and purposes of this corporation are to promote, stimulate, and improve the educational, cultural, moral, and material welfare of Nicholls State University (the University); to promote, improve and encourage closer cultural, moral, and intellectual intercourse therewith between the members of this corporation and the University; to give financial aid to needy and deserving students; to promote and encourage research and scholastic excellence among the faculty members of the University; to buy, sell, lease, erect, or otherwise acquire lands and all necessary buildings and appurtenances to further such ends, to hold, maintain and operate same, to sell, lease, or dispose thereof and generally to do all things necessary or proper to achieve such ends. This corporation is organized and shall be operated exclusively for educational, scientific, and literary purposes.

- B. Basis of Presentation – The financial statements are prepared on the accrual basis of accounting under the financial reporting framework of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification, Financial Statements of Not-for-Profit Organizations.
- C. Cash and Cash Equivalents – For purposes of the statement of cash flows, the Foundation considers all unrestricted cash and highly liquid investments with initial maturities of three months or less to be cash equivalents.
- D. Investments – Investments primarily include equity and debt securities and alternative investments, a portion of which are without donor restriction but designated and controlled by the board, with the remainder having donor restrictions, for providing financial support to the University when needed. The Foundation records investments in accordance with the Not-for-Profit Entities Topic of the FASB ASC which establishes standards for the recognition of fair value of investments in certain equity and debt securities with gains and losses included in the statements of activities. Investment return, net (including realized and unrealized gains and losses on investments, interest, dividends, and expenses) is included in the change in net assets with donor restrictions if there are donor-imposed restrictions on the use of the income, or without donor restrictions in the absence of such restrictions.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- E. Promises to Give and Contributions – Contributions are recognized as revenues when cash, securities, other assets, unconditional promises to give, or notification of a beneficial interest is received. Conditional contributions are recognized as revenue when the conditions are substantially met.

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. After adoption of FASB ASC 326-20 Financial Instruments – Credit Losses on July 1, 2023, management determines the allowance using an estimate of expected credit losses, applied to donor groupings with similar risk characteristics, based on historical experience, current economic conditions and certain forward-looking information. Account balances are written off against the established allowance when management determines it is probable promises to give will not be collected. As of June 30, 2025, no allowance was deemed necessary.

The Foundation accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, and the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for transferring those services.

The Foundation earns revenues from customers for exchange transactions for services provided by various special fundraising events, memberships, and sports events.

Contracts typically require the completion of a defined service and billing for completed services are based on actual amounts. The Foundation satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized when the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date. The Foundation historically collects revenues before or at the time when the transaction is entered into. Revenues received in advance of providing the services are deferred and recognized as revenue as the services are provided.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- F. Other Receivables – Other receivables primarily consist of amounts expected to be received from third-party entities that do not meet the definition of promises to give.
- G. Property and Equipment – Property and equipment of the Foundation, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair value at the date of the donation. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2025 was \$22,500. Property and equipment are capitalized if the purchase exceeds \$1,000 and the asset's useful life is greater than one year.
- H. Software and hosting arrangement costs – Costs to implement software provided through a hosting arrangement is capitalized at the cost of application development consistent with the accounting treatment of internal-use software. Capitalized implementation costs are amortized utilizing the straight-line method over the estimated useful life of the software. Amortization expense for the year ended June 30, 2025 was \$113,780. Costs of the hosting arrangement itself are expensed as incurred and reflected in the financial statement caption "Contracted services" on the statement of functional expenses.
- I. Antique Collection – The Foundation holds an antique collection which consists of antique furniture, dinnerware, paintings, and other household items donated to the Foundation.
- J. Funds Held in Custody – The Foundation has received various matching grants from the State of Louisiana under the Eminent Scholars Endowed Chairs, Endowed Professorships, and Endowed 1st Generation Scholarships programs which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulations regarding the administration of these programs.
- K. Net Assets – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence 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. Investment earnings appropriated for expenditure in accordance with the Foundation's endowment policy are included in net assets without donor restrictions.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature (also referred to as an endowment fund), where the donor stipulates those resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities as net assets released from restrictions.

- L. Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater). It is not customary for the Foundation to spend from underwater endowments unless otherwise directed by the donor. There were no such deficiencies as of June 30, 2025.
- M. Collections – Donations of collections are recorded as support at their estimated fair value at the date of their donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.
- N. Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs, supporting services benefited, and fundraising. Expenses that can be identified with a specific program, support service, and fundraising are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management. Principal programs include:
- a. Endowed Chairs, Professorships, and 1st Generation Scholarships – This program provides a way for Nicholls to attract and retain highly qualify faculty and to draw students of high academic skills, personal merit and/or financial need.
 - b. Colonel Athletic Association (CAA) – This program is the primary fundraising arm for Nicholls State University's athletic department.
 - c. Balanced Media – This program provides technology and Artificial Intelligence solutions for projects, including the Coastal Center at Nicholls State University, focusing on coastal erosion, restoration, and regional economic interests.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- d. Other Program Services – These include smaller programs that do not fall under the three categories above.
- O. Income Taxes – Nicholls State University Foundation, Inc. is a not-for-profit, public charity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 170(b)(1)(A)(iv) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Foundation believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.
- P. Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- Q. Reclassifications – Certain balances from the prior year financial statement classifications have been reclassified to conform to the current year financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets.
- R. Recent accounting pronouncements

In May 2025, the FASS issued ASU No, 2025-05, Financial Instruments Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which introduces a practical expedient for all entities and an accounting policy election for entities other than public business entities related to applying Subtopic 326-20 to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, The amendments will be effective for annual reporting periods beginning after December 15, 2025, The effect of implementation on the Organization's financial statements has not yet been determined.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 2 – UNCERTAIN INCOME TAXES

The Foundation's 2024 tax return was filed appropriately. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit period is 2021 to 2024. Management has evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

NOTE 3 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Foundation follows the provisions of the *Fair Value Measurement* Topic of the FASB ASC. Accordingly, fair value is defined 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.

The *Fair Value Measurement* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The inputs in the three levels of this hierarchy are described as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 – Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 3 – FAIR VALUES OF FINANCIAL INSTRUMENTS (Cont.)

Recurring Fair Value Measurements

The Foundation's measurements of fair value are made on a recurring basis, and its valuation techniques for assets and liabilities recorded at fair value are as described in the preceding section.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2025:

| | Total | Level 1 | Level 2 | Level 3 |
|---|----------------------|----------------------|---------------------|-------------|
| Equities | \$ 12,647,331 | \$ 12,647,331 | \$ - | \$ - |
| Mutual funds | | | | |
| Money market | 1,207,927 | 1,207,927 | - | - |
| Domestic equities | 2,437,259 | 2,437,259 | - | - |
| Fixed income | 986,410 | 986,410 | - | - |
| Debt securities | | | | |
| Corporate bonds | 2,577,268 | 2,577,268 | - | - |
| United States Treasury obligations | 3,718,360 | - | 3,718,360 | - |
| Mortgage-backed securities | 1,993,875 | - | 1,993,875 | - |
| Obligations of states and municipal governments | 50,042 | - | 50,042 | - |
| Hedge funds and alternatives | | | | |
| Equity - long/short | 1,459,562 | - | - | - |
| Multi-strategy | 2,064 | - | - | - |
| | <u>\$ 27,080,098</u> | <u>\$ 19,856,195</u> | <u>\$ 5,762,277</u> | <u>\$ -</u> |

Certain investments measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Investments that are Measured at NAV Per Share as a Practical Expedient

The FASB issued a standards update pertaining to Fair Value Measurements and Disclosures for Investments in Certain Entities that Calculate NAV per Share. Fair values of certain investments are determined by the use of calculated NAV per ownership share.

The Foundation's investments that feature NAV per share consists of hedge funds with carrying values of \$1,461,626 as of June 30, 2025. The majority of the funds are public-equity funds which strategize for maximum capital appreciation. There are no unfunded commitments. Redemption requests can be made quarterly, but approvals are at the sole discretion of the fund's Board of Directors. Additionally, there is a maximum share repurchase limit for each quarterly offering, which the fund may only exceed by a maximum of 2% of outstanding shares beyond the repurchase limit.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 4 – CONCENTRATION OF CREDIT RISK

Nicholls State University Foundation, Inc. maintains its cash in multiple financial institutions, primarily located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$250,000 at these institutions.

Cash at these institutions exceeded federally insured limits by \$4,095,782 as of June 30, 2025. Money market mutual funds included in cash equivalents and restricted cash totaled \$3,880,881 as of June 30, 2025. These amounts were uninsured.

NOTE 5 – INVESTMENTS

In accordance with the NFP Entities Topic of the FASB ASC, the Foundation reports certain equity and all debt securities at fair value. The composition of investment securities as of June 30, 2025, is as follows:

| | |
|---|----------------------|
| Equities | \$ 12,647,331 |
| Mutual funds | 4,631,596 |
| Debt securities | |
| Corporate bonds | 2,577,268 |
| United States Treasury obligations | 3,718,360 |
| Mortgage-backed securities | 1,993,875 |
| Obligations of states and municipal governments | 50,042 |
| Hedge funds and alternatives | <u>1,461,626</u> |
| | <u>\$ 27,080,098</u> |

Alternative investments include hedge funds managed by external advisors, which utilize a variety of financial instruments in their trading strategies, including equity and debt securities of both U.S. and foreign issuers, public and non-public, as well as a variety of derivative instruments. Such investments are not readily marketable and are reported at net asset value per ownership share, which approximates fair value.

NOTE 6 – PROMISES TO GIVE

Promises to give, which are unconditional promises of donors to make contributions to the Foundation, are included in the financial statements as promises to give on the statement of financial position, as well as contributions with donor restrictions on the statement of activities.

Promises to give for the year ended June 30, 2025 are expected to be realized as follows, based on the terms of the underlying agreements:

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 6 – PROMISES TO GIVE (Cont.)

| | |
|--|----------------------------|
| In one year or less | \$ 1,211,625 |
| Between one year and five years | 2,648,000 |
| Beyond five years | <u>625,000</u> |
| | 4,484,625 |
| Less: Discount to present value at 3.82% | <u>(523,964)</u> |
| Promises to give, net | <u><u>\$ 3,960,661</u></u> |

Promises to give for the year ended June 30, 2025 have restrictions as follows:

| | |
|---|----------------------------|
| Facility construction and naming rights | \$3,492,161 |
| Facility construction | 347,423 |
| Faculty support | <u>121,077</u> |
| Total promises to give, net | <u><u>\$ 3,960,661</u></u> |

NOTE 7 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is as follows:

| | Depreciable Lives | June 30, 2024* | Additions | Retirements/ Reclassifications | June 30, 2025 |
|----------------------------|----------------------|---------------------|--------------------|-----------------------------------|---------------------|
| Land | N/A | \$ 200,000 | \$ - | \$ - | \$ 200,000 |
| Buildings | 36 years | 900,000 | - | - | 900,000 |
| | | <u>1,100,000</u> | <u>-</u> | <u>-</u> | <u>1,100,000</u> |
| Accumulated depreciation | | (26,260) | (22,500) | - | (48,760) |
| Net property and equipment | | <u>\$ 1,073,740</u> | <u>\$ (22,500)</u> | <u>\$ -</u> | <u>\$ 1,051,240</u> |

*Restated - See Note 17

The Foundation maintains a property which was donated May 11, 2023. The property is held to house guests of the University, and all maintenance and upkeep associated with the property is performed and paid for by the University. The act of donation associated with the property stipulates that if the property is sold, the Foundation must use the proceeds to fund a scholarship for the University's nursing students.

NOTE 8 – INTANGIBLES

The Foundation executed a Master Services Agreement with Balanced Media Technology, L.L.C. (Balanced Media), dated August 29, 2022. Under the terms of the agreement, the Foundation committed to a total investment of \$4,500,000. Balanced Media will develop and provide to the Foundation artificial intelligence and machine

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 8 – INTANGIBLES (Cont.)

learning systems for multiple pilot projects which are intended to benefit a variety of programs across Nicholls State University, including the Nicholls Coastal Center. The deliverables may also function as an alternative source of revenues. The deliverables are interdependent upon Balanced Media Technology's HEWMEN patented technology platform, and as such, the agreements include hosting arrangements providing the Foundation license and access to the platform. The most recent agreement included a hosting arrangement with a term beginning October 1, 2024, to September 30, 2025. The costs to implement the hosting arrangement have been capitalized consistent with internal-use software and are reflected in the financial statement caption "Software and prepaid hosting arrangement costs" on the statement of financial position. A summary of changes in software and hosting arrangement costs is as follows:

| | Useful Lives | June 30, 2024* | Additions | Retirements/ Reclassifications | June 30, 2025 |
|--------------------------|-----------------|---------------------|-------------------|-----------------------------------|---------------------|
| Software | 5 years | \$ 1,866,000 | \$ 317,500 | \$ - | \$ 2,183,500 |
| Accumulated amortization | | - | (113,780) | - | (113,780) |
| Intangibles, net | | <u>\$ 1,866,000</u> | <u>\$ 203,720</u> | <u>\$ -</u> | <u>\$ 2,069,720</u> |

*Restated - See Note 17

As of June 30, 2025, the Foundation has a total remaining unfunded commitment of \$682,500. During the year ended June 30, 2025, the Foundation incurred net unreimbursed expenses related to the Balanced Media Contract in the total amount of \$1,067,500.

NOTE 9 – LINE OF CREDIT

The Foundation has a line of credit agreement with a bank to aid in cash flow management. The agreement, dated August 1, 2024, includes a borrowing limit of \$1,575,000, an interest rate equal to the Wall Street Journal Prime Index rate (7.50% as of June 30, 2025) on outstanding balances, is secured by certain investment securities and a certificate of deposit, and matures on August 1, 2025, when all outstanding principal and interest is due. As of June 30, 2025, the outstanding balance was \$979,968.

NOTE 10 – NOTE PAYABLE

Note payable, which is due upon demand, consists of a note payable to a bank bearing interest at 6.00%. Payments of principal and interest totaling \$47,059 are due quarterly with a final payment for the remaining outstanding balance due at maturity on May 23, 2027.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 10 – NOTE PAYABLE (Cont.)

The note is secured by a continuing security interest in any and all funds on deposit or certificates of deposit held at the lender, and certain investment securities. As of June 30, 2025, the outstanding balance was \$350,198. Maturities of the note payable are as follows:

| <u>June 30,</u> | |
|-----------------|-------------------|
| 2026 | \$ 169,826 |
| 2027 | <u>180,372</u> |
| | <u>\$ 350,198</u> |

NOTE 11 – FUNDS HELD IN CUSTODY

Under agreements with the University, the Foundation holds and manages funds received by the University as state matching funds for the accounts of the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs. Also, under an agreement with the University, the Foundation holds and manages the donated and state matching funds for the University. As of June 30, 2025, the state funds held in custody totaled \$3,771,404 , and the University Endowments totaled \$6,249,407.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 relate to:

| | |
|---|----------------------|
| Buildings & Athletic Facilities | \$ 1,576,256 |
| Other University Departments and Projects | 9,095,500 |
| Endowed Chairs, Professorships, and 1st Generation Scholarships | 5,830,409 |
| Other Endowed Scholarships | 11,668,049 |
| Other Scholarships | <u>175,901</u> |
| | <u>\$ 28,346,115</u> |

NOTE 13 – ENDOWMENTS

Endowments consist of individual funds established by donors to provide annual funding for scholarships and other activities.

Interpretation of Relevant Law

The Foundation accounts for donor-restricted funds consistent with the provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Louisiana and the Endowed Chair, Endowed Professorship, and Endowed

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 13 – ENDOWMENTS (Cont.)

Scholarship Programs Statement of Investment Policy and Objectives established by the Louisiana Board of Regents. The Foundation seeks to preserve 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. Accordingly, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- 1) The duration and preservation of the fund,
- 2) The purposes of the Foundation and the donor-restricted endowment fund,
- 3) General economic conditions,
- 4) The possible effect of inflation and deflation,
- 5) The expected total return from income and the appreciation of investments,
- 6) Other resources of the Foundation, and
- 7) The investment policies of the Foundation and the Board of Regents.

Investment and Spending Policies

The primary financial objective of the endowments is to be a source of funds provided through return on the invested capital for the current and future support of University programs. The long-term objective is to attain an annual return at or above the level of spending. Annual spending of up to five percent of the market value of program assets averaged on a consistent basis for the five most recent fiscal trust fund years is allowed, provided that the market value of program assets at the end of the most recent fiscal fund year exceeds the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal fund year for which a spending allocation is to be made. When the current market value of program assets is below the original corpus of the endowment, no spending is allowed.

Strategies Employed for Achieving Objectives

To achieve the long-term investment objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized), and current yield (interest and dividends). The Foundation

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 13 – ENDOWMENTS (Cont.)

targets an appropriately diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The endowment fund net asset composition by type of fund as of June 30, 2025 was as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Donor-restricted endowments | | | |
| Endowed scholarships | \$ - | \$ 10,506,896 | \$ 10,506,896 |
| Endowed chairs, professorships, and 1st generation scholarships | - | 5,830,409 | 5,830,409 |
| Mary Danos Theater maintenance | - | 1,161,153 | 1,161,153 |
| Board-designated endowments | | | |
| Institutional advancement | <u>649,570</u> | <u>-</u> | <u>649,570</u> |
| | <u>\$ 649,570</u> | <u>\$ 17,498,458</u> | <u>\$ 18,148,028</u> |

The changes in donor-restricted endowments funds for the year ended June 30, 2025 were as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Endowment net assets of of July 1, 2024 | \$ 818,771 | \$ 15,876,542 | \$ 16,695,313 |
| Investment return, net | (8,683) | 1,327,704 | 1,319,021 |
| Contributions | - | 316,541 | 316,541 |
| Appropriated for expenditure | (572) | (411,116) | (411,688) |
| Reclassification of funds | <u>(159,946)</u> | <u>388,787</u> | <u>228,841</u> |
| Endowment net assets of of June 30, 2025 | <u>\$ 649,570</u> | <u>\$ 17,498,458</u> | <u>\$ 18,148,028</u> |

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation receives significant contributions to establish endowments that will exist in perpetuity; the investment income generated from such endowments is used to support the facilities, programs, and other activities managed by the University. Investment income from endowments also covers investment expenses incurred by the Foundation. Note 13 discusses the endowments and spending policy of the Foundation.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Cont.)

The Foundation manages its investments for the investment income generated to be available to cover investment and other expenses and cover the grant to support the facilities, programs, and other activities managed by the University.

The following reflects the Foundation's financial assets as of June 30, 2025, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations:

| Financial assets | <u>June 30, 2025</u> |
|---|----------------------|
| Cash and cash equivalents | \$ 5,511,233 |
| Accrued interest receivable | 68,793 |
| Other receivables | 86,864 |
| Restricted cash - endowments | 1,706,732 |
| Investments | 25,872,140 |
| Promises to give, net | <u>3,960,661</u> |
| Total financial assets | 37,206,423 |
| | |
| Less those unavailable for general expenditures within one year: | |
| Interest receivable on purpose restricted investments | (54,818) |
| Amounts held in support of university organizations | (5,006,503) |
| Promises to give, restricted by donor for purpose | (3,960,661) |
| Funds held in custody of others | (10,020,811) |
| Amounts invested with donor restriction | <u>(18,498,458)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ (334,828)</u> |

NOTE 15 – COMMITMENTS

The Foundation renewed an agreement with Blackbaud, Inc. dated August 24, 2024, for subscriptions to various services associated with its cloud-based fundraising and accounting platforms. The agreement lasts five years and bills the Foundation annually at fixed amounts. The Foundation is committed to \$275,112 in total payments over the life of the agreement.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 15 – COMMITMENTS (Cont.)

The Foundation's deliverables from Balanced Media Technology (Balanced) are dependent upon continued access to Balanced Media Technology's patented HEWMAN AI platform (See Note 8 – Intangibles). The Foundation previously received access through a contractual subscription agreement which expired in September 2025. Access to the platform has been made available to the Foundation during negotiation of contracts for development of other software programs by Balanced. Management is unable to estimate the future commitments to Balanced, however it is probable that such subscription arrangements will require material commitments.

NOTE 16 – RELATED PARTIES

The Foundation is the sole member and owner of Colonel Leasing Company, L.L.C., which was incorporated on May 7, 2025. The primary function of Colonel Leasing Company is to secure vehicle leases for the Colonel Athletic Association.

The Foundation is the sole member and owner of all shares of the Nicholls State University Private Investment Corporation (NPIC), which was incorporated August 15, 2024. The intention of NPIC is to function as the consolidating entity for future ventures and subsidiaries.

NPIC is the sole member and owner of all shares of Colonel Capital Group, Inc., which was incorporated on November 14, 2025. The intention of Colonel Capital Group is to oversee an opportunity for a business accelerator through Louisiana Economic Development (LED) to benefit the University campus. LED is the cabinet-level state agency responsible for strengthening Louisiana's business environment.

NPIC is the sole member and owner of all shares of Colonel Technology Corporation, which was incorporated on March 3, 2026. The intention of Colonel Technology Corporation is to oversee development of technologies with Balanced Media Technology and foster relationships with businesses which may utilize the deliverables through software-as-a-service agreements.

As of March 16, 2026, the date that the financial statements were available to be issued, none of the affiliated companies have been funded, nor have they begun substantive operations.

Nicholls State University Foundation, Inc.
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

Adjustments have been made to beginning net assets for prior period corrections. Adjustments are summarized below:

| | <u>Without donor restrictions</u> | <u>With donor restrictions</u> |
|---|-----------------------------------|--------------------------------|
| Net assets as previously reported | \$ (702,467) | \$ 26,494,015 |
| Donation of Sarat Donepudi House net of accumulated depreciation | | 1,073,740 |
| Balanced Media Technology Software | <u>1,866,000</u> | |
| Beginning net assets, restated | <u>\$ 1,163,533</u> | <u>\$ 27,567,755</u> |

The Foundation received a donation of property on May 11, 2023, which was previously not recorded. Donations of property and equipment are recorded using the estimated fair value at the date of the donation. An appraisal was obtained valuing the property at \$1,100,000 at the time of the donation. The appraisal allocated the valuation as \$200,000 for the land and \$900,000 for the building. A prior period adjustment was recorded to capture the value of the property as of the date of the donation, net of accumulated depreciation calculated on a straight-line basis using a useful life of 36 years.

The Foundation incurred costs for the implementation of a hosting arrangement and development of software beginning March 20, 2023. The deliverables represented intellectual property owned by the Foundation and was previously not recorded. A prior period adjustment was recorded to capture the costs incurred for deliverables received in prior periods totaling \$1,866,000.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events were evaluated through March 16, 2026, which is the date that the financial statements were available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

Nicholls State University Foundation, Inc.
Schedules of Funds Held in Custody
June 30, 2025

State Funds Held in Custody

| | | |
|---|----|---------|
| 1st Generation Scholarship | \$ | 56,731 |
| Abdon Callais Scholarship | | 21,679 |
| Agnes H. Candies Professorship | | 45,259 |
| Alfred Delahaye Professorship | | 43,271 |
| American Association of Drilling Engineers Professorship | | 43,468 |
| B & J Bollinger Scholarship | | 63,597 |
| B Raziano Professorship | | 43,326 |
| Bell South Cullinary Professorship | | 45,985 |
| Bell South/Brady, Miller, Theriot, Callais Professorship | | 46,199 |
| Bell South/Picou Professorship | | 43,155 |
| Bell South/Picou Professorship #2 | | 45,246 |
| Bonnie Bourg Professorship | | 47,019 |
| Burquieres 1st Generation Scholarship | | 48,890 |
| Capital One Professorship | | 54,896 |
| Cenac Towing Chair | | 444,788 |
| CETFE Geomatic/Surveying Professorship | | 43,516 |
| Clarence J. Riviere Professorship | | 44,004 |
| Danos 1st Generation Scholarship | | 58,507 |
| Danos Family Nursing Scholarship | | 45,113 |
| Durel Martin Professorship | | 43,953 |
| George Picou Professorship | | 54,970 |
| Gloria Callais Professorship | | 43,340 |
| Goldring Foundation Professorship | | 46,310 |
| Gueydan Professorship | | 44,639 |
| Harold Callais 1st Generation Scholarship | | 52,708 |
| Harold Callais Professorship | | 220,945 |
| Harvey Peltier, Sr. Professorship | | 44,031 |
| Henry & Kim Lafont 1st Generation Scholarship | | 56,707 |
| J & T Sanford 1st Generation Scholarship | | 49,114 |
| J Maselli Professorship | | 43,330 |
| Jack Cenac Scholarship | | 43,657 |
| Jeanne P. Murphy Professorship | | 24,019 |
| Jimmy and Glenn Lee Buquet Professorship | | 46,783 |
| Jock Cenac Scholarship | | 44,992 |
| John Brady Jr. Professorship | | 44,446 |
| Maxine Giardina Professorship | | 44,366 |
| McIlhenny Professorship | | 43,324 |
| Michael & Christine Bourgeois 1st Generation Scholarship #1 | | 60,600 |
| Michael & Christine Bourgeois 1st Generation Scholarship #2 | | 56,772 |
| Minor J. Cheramie Professorship | | 46,866 |
| Mitch Hebert 1st Generation Scholarship | | 44,470 |
| Morris and Sandy Hebert Professorship | | 43,977 |

See independent auditor's report.

Nicholls State University Foundation, Inc.
Schedules of Funds Held in Custody
June 30, 2025

State Funds Held in Custody (Continued)

| | |
|--|---------|
| Orleans A. Pitre Professorship | 48,461 |
| Otto Candies 500 Business Professorship | 115,871 |
| Otto Candies Family Business Professorship | 123,525 |
| Otto Candies Maritime Professorship | 229,418 |
| Paul Callais Professorship | 108,936 |
| Peter Callais Professorship | 108,941 |
| R & C Cheramie Scholarship | 61,345 |
| R & J Bartels 1st Generation Scholarship | 48,119 |
| R E Miller Professorship | 43,356 |
| Sister Mary Bienvue | 23,619 |
| Stephen & Rebecca Hulbert Scholarship | 45,576 |
| Swanner 1st Generation Scholarship | 57,585 |
| T. Baker Smith Professorship | 43,629 |
| T. Shepard Endowed Professorship | 43,786 |
| Wayne Patten Endowed Professorship #1 | 49,471 |
| Wayne Patten Endowed Professorship #2 | 47,500 |

| | |
|--|---------------------|
| Total State Funds Held in Custody | \$ 3,771,404 |
|--|---------------------|

University Funds Held in Custody

| | |
|--|---------|
| Andie Bollinger Endowed Professorship in Business | 269,529 |
| Argent Bank Endowed Professorship in Business Administration | 115,260 |
| Belle & Leonard Toups Chair in English | 282,773 |
| Belle & Leonard Toups Cultural Study | 288,543 |
| Belle & Leonard Toups Language Study | 282,773 |
| Belle & Leonard Toups Literary Study | 282,773 |
| Betsy Ayo Endowed Professorship in Accounting and Business | 108,459 |
| Boysie Bollinger Super Endowed Professorship in Business | 539,034 |
| Charlotte Bollinger Endowed Professorship in Business | 269,511 |
| Contractor's Educational Trust Fund Endowed Professorship in Manufacturing Technology | 220,801 |
| Donald Peltier Endowed Professorship | 107,839 |
| Entergy Endowed Professorship in Computer Science | 198,776 |
| Entergy Endowed Professorship in Information Systems | 113,550 |
| Gerald Gaston Endowed Professorship in the College of Business Administration | 114,133 |
| Jerry Ledet Foundation Endowed Professorship in Environmental Biology | 107,803 |
| John Brady, Sr. and Pat Brady Endowed Professorship in Computer Science | 546,345 |
| John Brady, Sr. and Pat Brady Endowed Professorship in Biological Sciences | 539,674 |
| John C. Daigle Endowed Professorship in Free Enterprise | 115,881 |

See independent auditor's report.

Nicholls State University Foundation, Inc.
Schedules of Funds Held in Custody
June 30, 2025

University Funds Held in Custody (Continued)

| | |
|--|----------------------|
| Lorio Foundation Endowed Professorship in Language and Literature | 107,831 |
| Lorio Foundation Endowed Professorship in Nursing | 107,873 |
| Lorio Foundation Endowed Professorship in Physical Science | 107,841 |
| Peltier Foundation Endowed Professorship in College of Business Administration | 109,372 |
| Terrebonne General Medical Center Compassionate Staff Endowed Professorship in Nursing and Allied Health | 269,502 |
| Terrebonne General Medical Center Devoted Volunteers Endowed Professorship in Nursing and Allied Health | 272,073 |
| Terrebonne General Medical Center Faithful Sisters Endowed Professorship in Nursing and Allied Health | 269,527 |
| Terrebonne General Medical Center Founding Physicians Endowed Professorship in Nursing and Allied Health | 271,599 |
| Thibodaux Hospital and Health Center Endowed Professorship in Nursing | 115,441 |
| Total University Funds Held in Custody | \$ 6,249,407 |
| Total Funds Held in Custody | \$ 10,020,811 |

See independent auditor's report.

**INDEPENDENT AUDITOR'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To the Board of Directors
Nicholls State University Foundation, Inc.
Thibodaux, Louisiana

We have performed the procedures enumerated below related to Nicholls State University Foundation Inc.'s (the Foundation) compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives governing the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs for the year ended June 30, 2025. The Foundation is responsible for compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

The Foundation's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist users in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Verify that the Foundation's Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs' assets have been managed in compliance with the provisions set forth in the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

Results: No exceptions were found as a result of applying the procedure.

2. Verify that the annual financial reports for the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs submitted to the Louisiana Board of Regents were accurate and agreed to the accounting records of the Foundation.

Results: We determined that the annual financial reports submitted to the Louisiana Board of Regents included inaccuracies for the University's endowment allocated expenditures during the Fall 2025 and Spring 2026 semesters. Although, the amounts reported were not accurate, we did not identify any violations of the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs spending policy.

3. Select a sample of disbursements from the Endowed Chair, Endowed Professorship, and Endowed Scholarship Programs and verify that the proceeds were used in accordance with program policies.

Results: No exceptions were found as a result of applying the procedure.

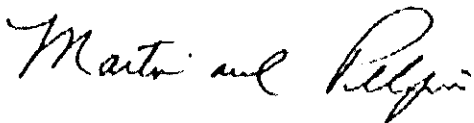
4. Verify that the investment earnings generated from pooled assets involving the Endowed Chair, Endowed Professorship, or Endowed Scholarship Programs have been properly allocated in accordance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives.

Results: No exceptions were found as a result of applying the procedure.

We were engaged by the Foundation's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Foundation's compliance with the Louisiana Board of Regents' Statement of Investment Policy and Objectives. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Foundation's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the Foundation and the Louisiana Board of Regents and is not intended to be, and should not be, used by anyone other than these specified parties.



Houma, Louisiana
March 16, 2026