FY 26

2026 ANNUAL REPORT

NSU Florida



NSU Florida

Consolidated Financial Statements 2026

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Overview

For the fiscal year ended June 30, 2026 (fiscal 2026), Nova Southeastern University (NSU, or the university) continued to strengthen its financial position through continued strong operations, increased contributions, and robust investment returns, culminating in total net assets increasing 14.5 percent from the prior year. As demonstrated in the following chart, total net assets have more than doubled over the past decade, from $733.4 million as of June 30, 2016, to $1.5 billion as of June 30, 2026.

Factors contributing to the sustained growth include the university's diverse academic program offerings, strong philanthropic support, and ability to respond and adapt to evolving challenges and opportunities of higher education.

Operational Highlights

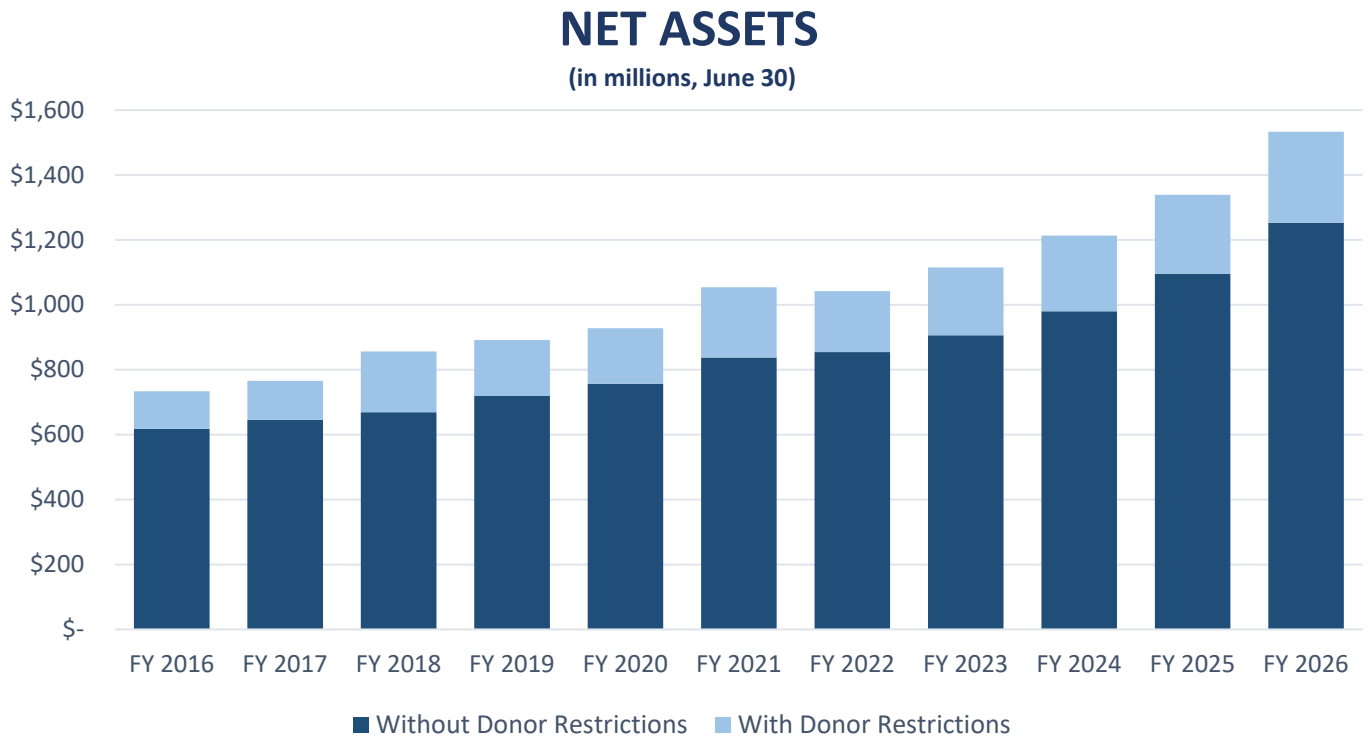
Grounded in NSU's mission and values, the university's strategic plan advances academic excellence, research and innovation, healthcare leadership, and long-term sustainability. The following are highlights in fiscal 2026.

NSU expanded its regional campus footprint to Nevada, becoming the first and only university in the state to offer an anesthesiologist assistant (AA) program. In June 2026, the university celebrated the opening of the new campus located near Las Vegas and welcomed its first class of AA students at the site. The state-of-the-art facility features an advanced simulation training environment with fully functioning operating rooms, patient simulators, and specialized anesthesia labs.

In addition to Nevada, NSU offers its AA program at multiple campuses in Florida and at its campus located near Denver, Colorado, operating one of the nation's largest AA education programs and serving as a leading contributor to the anesthesia workforce. NSU is also the largest educator of physicians in Florida and fifth in the nation. With seven healthcare-related colleges offering a broad array of programs, NSU is a top producer of healthcare providers in the state and nationally, meeting critical needs in the industry.

During fiscal 2026, NSU completed the expansion and renovation of Fins Landing on its main campus in Fort Lauderdale/Davie, Florida, which opened for students in August 2026. The new 28,000-square-foot dining destination nearly doubles previous capacity, provides seating for 750, expands dining options, and offers 24/7 technology-enabled service, while serving as a central hub that promotes connection and collaboration among students across NSU's healthcare programs and disciplines.

In fiscal 2026, NSU introduced NSU Ocean, a platform that emphasizes the university's leadership in ocean research, education, and workforce development to advance ocean health, resilience, and scientific discovery. Recent highlights include an award-winning documentary produced by NSU's Rising Seas Institute and designation of NSU's National Coral Reef Institute as a coordination hub for coral reef research in the Atlantic by the National Oceanic and Atmospheric Administration (NOAA).

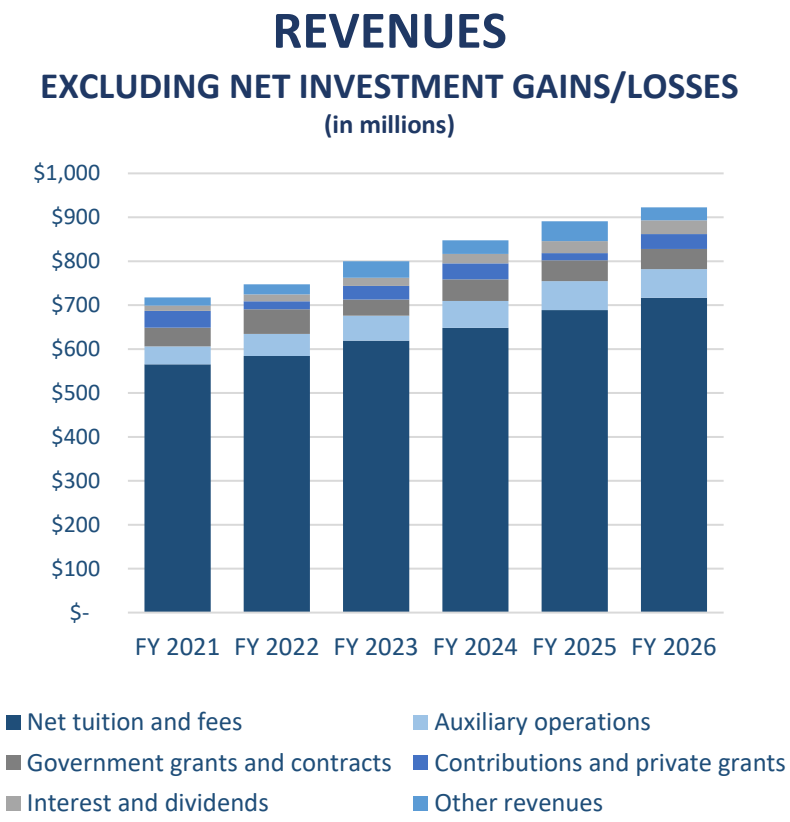


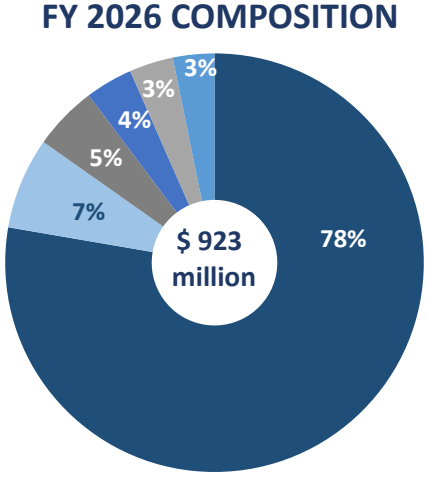
Financial Performance

Revenues

Total revenues were $994.9 million in fiscal 2026, up 4.2 percent from $955.0 million in fiscal 2025.

As depicted in the following chart, when excluding net investment gains, total revenues were $922.6 million in fiscal 2026, increasing $31.6 million or 3.6 percent from $890.9 million in fiscal 2025, and up $205.2 million or 28.6 percent over the last five years.





Net Tuition and Fees

Fiscal 2026 total tuition and fees (reported net of scholarships and discounts) approximated $716.9 million, increasing $28.0 million or 4.1 percent from fiscal 2025.

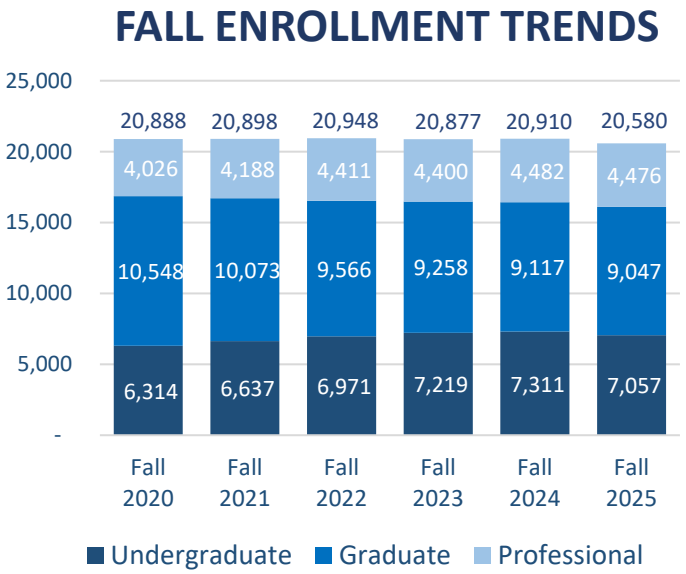
NSU offers a diverse array of academic programs; accordingly, there are several components of enrollment and resulting tuition revenue.

- 13 different colleges and schools
- Over 130 academic degree programs with varying tuition rates
- 66 percent graduate and professional students; 34 percent undergraduate students
- Courses are offered in multiple locations and modalities

Enrollment

Students may attend entirely face-to-face classes that meet on campus (ground), attend face-to-face and online classes (blended), or attend fully online. Classes are primarily taught at the main Fort Lauderdale/Davie Campus and at 10 regional campuses located across Florida, and in Puerto Rico, Colorado, and Nevada.

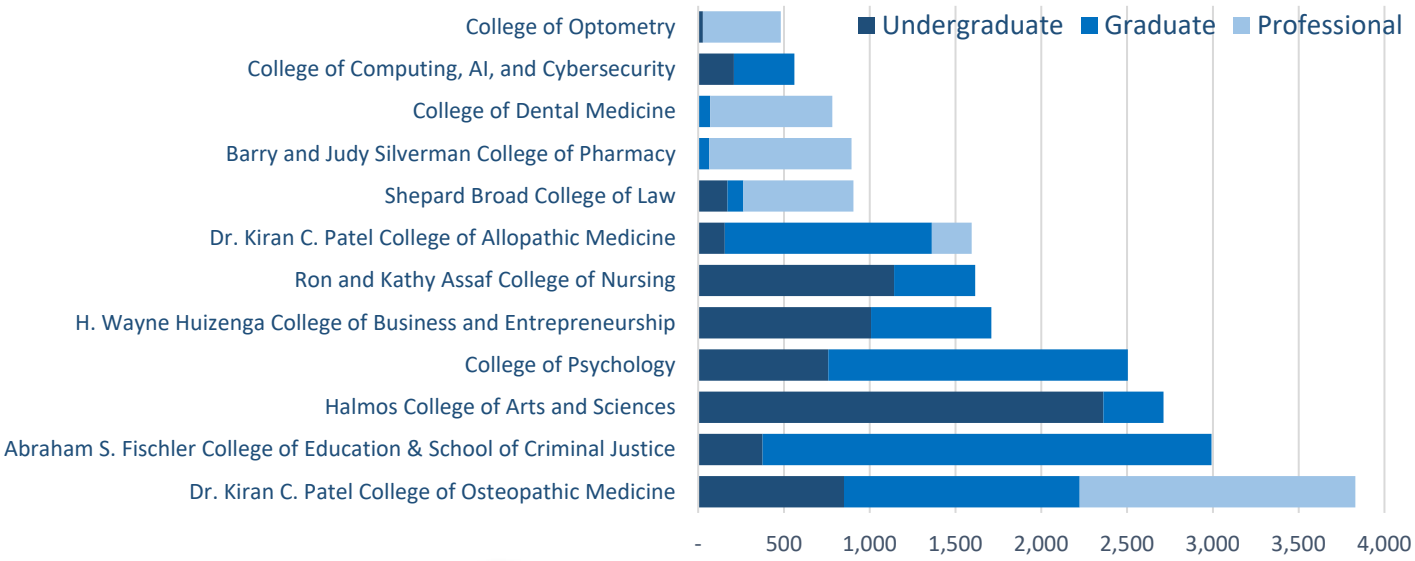
As shown in the chart below, overall enrollment has remained largely consistent. A slight decrease from fall 2024 to fall 2025 was realized, primarily from the undergraduate level, as the university refined its enrollment plan following years of record-high freshmen classes. Adjustments were made in furtherance of strategic initiatives to enhance academic performance, strengthening retention and student success.

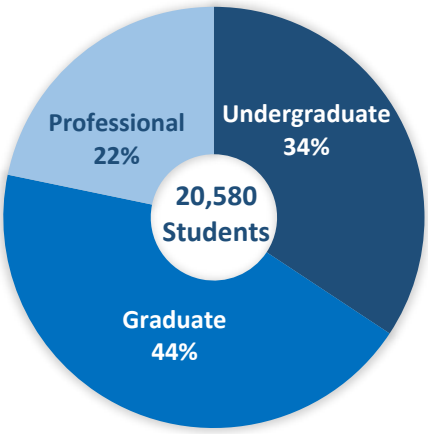


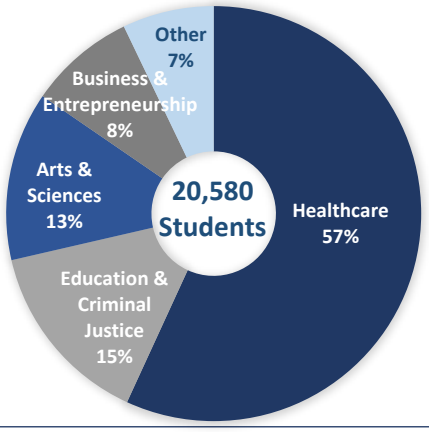
The following section includes graphs depicting fall enrollment composition. NSU's preschool through grade 12 programs include approximately 2,100 students who are not included in reported university enrollment data.

FALL 2025 ENROLLMENT COMPOSITION

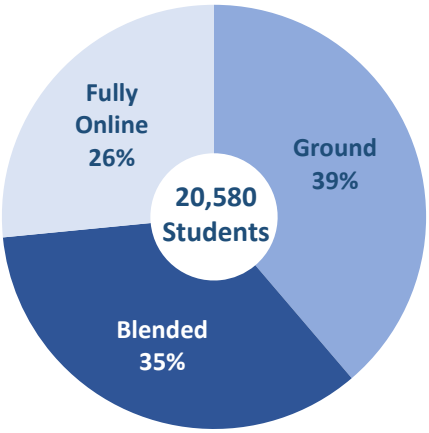
BY COLLEGE AND DEGREE LEVEL

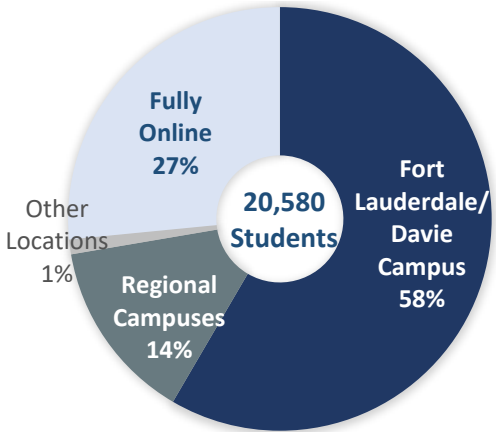






BY MODALITY AND LOCATION[1]





[1] Ground and blended are shown by location

Seven of NSU's 12 colleges (as shown in the prior chart) award degrees in healthcare fields. Collective enrollment in these colleges totaled 11,701 in fall 2025, comprising 57 percent of the university's total fall enrollment and approximately 60 percent of the university's total net tuition and fee revenue in fiscal 2026.

Expansion of NSU's medical professional programs (D.O. and M.D.) drove an overall 11 percent increase in NSU's professional-level enrollment over the past five years. NSU is one of only three universities in the United States to offer both a D.O. and M.D. program. NSU graduated over 400 physicians (D.O. and M.D. graduates combined) in each of the past four fiscal years, meeting a critical need in the healthcare industry.

In addition to increasing professional-level enrollment, the undergraduate population grew by 12 percent over the past five years, helping to offset graduate-level enrollment declines in certain programs that are reflective of changes in the economy and educational demands in particular areas. In these areas, the university has implemented specific strategies to right-size resources and program offerings. Strategic action steps have also been taken in recruitment, admission, retention, and marketing efforts through enhanced communication plans, increased personal outreach to students, and increased faculty engagement in recruitment efforts.

NSU has leveraged and supported its strengths in graduate and professional education while growing its undergraduate population. For example, the university's distinctive Dual Admission Program provides highly motivated undergraduate students with the opportunity to reserve seats in selective graduate/professional programs while earning their bachelor's degrees. This unique program has continued to attract academically highly qualified students, supporting strategic goals for enhanced student quality, experience, and outcomes. Other examples include innovative accelerated tracks that provide a faster path to earning both a bachelor's and advanced degree.

NSU's brand campaign, the NSU Edge, highlights the university's strengths, and shows how these strengths provide its students with a competitive advantage in their career, life, and community. This promise is demonstrated in numerous ways across the university, from immersive learning experiences to faculty mentoring to community outreach

Contributions and Private Grants

Contributions and private grants revenue increased by $17.5 million to $33.8 million in fiscal 2026 from $16.3 million in fiscal 2025, thanks to the generous support from NSU's donor community, including a significant estate gift received in fiscal 2026.

Government Grants and Contracts

Government grants and contracts revenue was $45.8 million and $47.5 million in fiscal 2026 and 2025, respectively, attributable to an array of sponsored research activity, as well as other awards, such as for expanding access to healthcare services for veterans and their families.

Auxiliary Operations

Auxiliary operations revenue was $65.3 million in fiscal 2026, decreasing a slight $0.5 million or 0.8 percent from fiscal 2025 attributable to lower clinical revenues.

Other Revenues

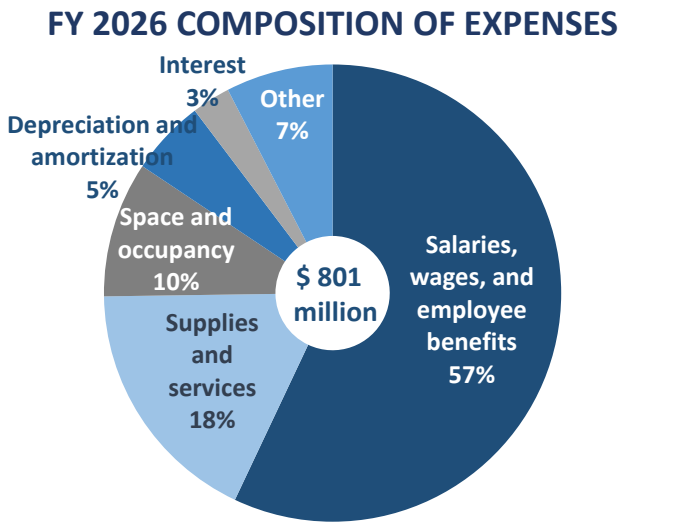
Other revenues were $29.5 million in fiscal 2026 compared to $45.0 million in fiscal 2025. The $15.5 million decrease was primarily attributable to the sale of two properties during fiscal 2025 resulting in a gain of approximately $13.1 million.

Expenses

Expenses totaled $801.0 million in fiscal 2026 compared to $829.0 million in fiscal 2025, representing an overall decrease of $28.0 million, or 3.4 percent.

The majority of the overall decrease was from the "other expenses" category which declined $21.1 million. This decrease was driven by significant expenses incurred in fiscal 2025 related to insurance programs, including premium costs and higher actuarially determined self-insurance liabilities, coupled with less marketing spend and favorable collection experience reducing credit losses in fiscal 2026.

Salaries and wages, along with employee benefits, collectively reflect a slight 0.7 percent or $3.0 million decrease, primarily from higher vacancy levels compared with last year. Supplies and services decreased $2.6 million or 1.8 percent due to lower legal expenses, and depreciation and amortization was $1.4 million or 3.1 percent less than fiscal 2025.



Financial Position

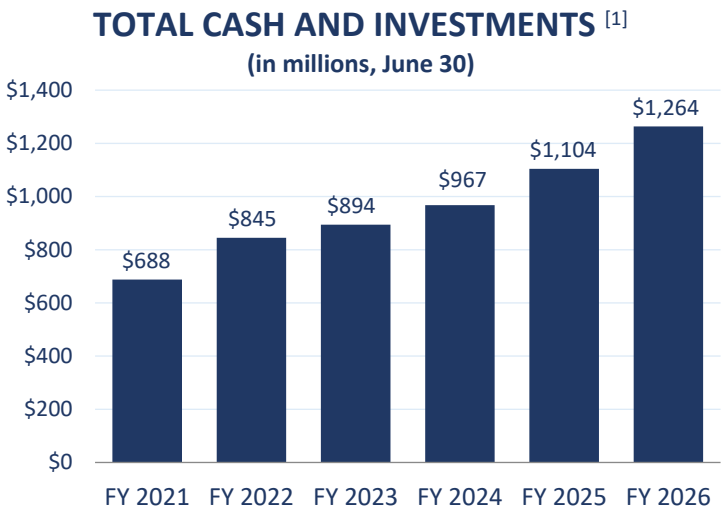
The university has total assets of $2.3 billion, total liabilities of $813.7 million and resulting net assets of $1.5 billion as of June 30, 2026.

Total assets increased $155.2 million or 7.1 percent from the prior year, with the majority of the increase derived from a $159.5 million or 14.4 percent increase in total cash and investments.

Land, buildings, and equipment, net increased by $2.8 million or 0.3 percent, representing additions net of disposals and depreciation, while right-of-use assets associated with operating leases decreased by $7.1 million or 10.9 percent. Prepaid expenses and other current assets increased $3.4 million, or 23.5 percent, associated with the timing of expenses paid.

Cash and Investments

The university has continued to strengthen its financial resources with sustained growth in total cash and investments. At $1.3 billion at June 30, 2026, the total has increased 83.7 percent over the last five years as reflected in the following chart. Contributing to the increase are net proceeds received from a bond issuance in fiscal 2022 ($148.6 million). Unspent 2022 bond proceeds are anticipated to be utilized for capital projects spanning multiple years.

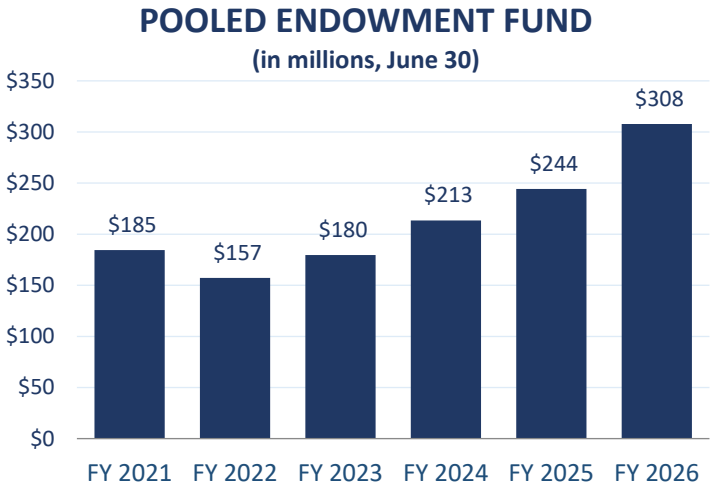


[1] Includes endowment and other restricted funds. Includes cash and investments categorized as Foundation assets prior to its dissolution in FY 2023. Includes net proceeds from a bond issuance in FY 2022 of $148.6 million.

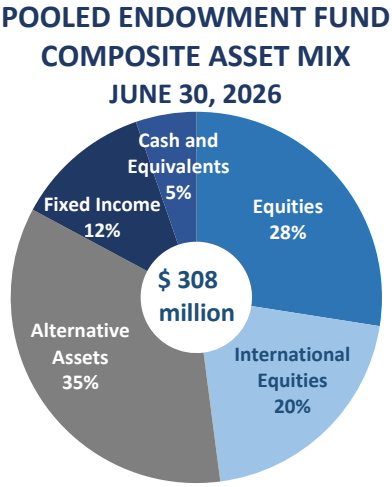
Endowment

The university's endowment is a collection of gift funds and reserves that are set aside and invested primarily for scholarships. The solid investment strategy to preserve real purchasing power, and the university's goal to maximize long-term total return and predictability of payout allocations, combined with donor's philanthropic contributions to support the future of NSU students, have resulted in sustained growth for the endowment over time. At June 30, 2026, endowment net assets (including endowment-related pledges receivable) totaled $336.7 million, representing 22.0 percent of the university's total net assets.

The following chart shows the market value of the university's pooled endowment fund has increased 66.8 percent over the past five years, standing at $307.8 million as of June 30, 2026. The long-term investment strategy, supported by a diversified asset mix, is designed to weather periodic market fluctuations as experienced in fiscal 2022.



Investment performance of the pooled endowment fund is monitored by Prime Buchholz. The fund produced a return of 17.6 percent in fiscal 2026, compared to 14.2 percent in fiscal 2025.



In addition, there was $5.8 million separately invested (pursuant to terms associated with an endowment grant program) as of June 30, 2026, that experienced a return of 9.7 percent in fiscal 2026.

Endowment-related pledge receivables outstanding as of June 30, 2026 and 2025, were $23.1 million and $27.5 million, respectively.

Capital Projects

The university invested $45.9 million in capital projects during fiscal 2026. Such additions are offset by annual depreciation and disposals in deriving the net change in land, buildings, and equipment year over year of $2.8 million or 0.3 percent.

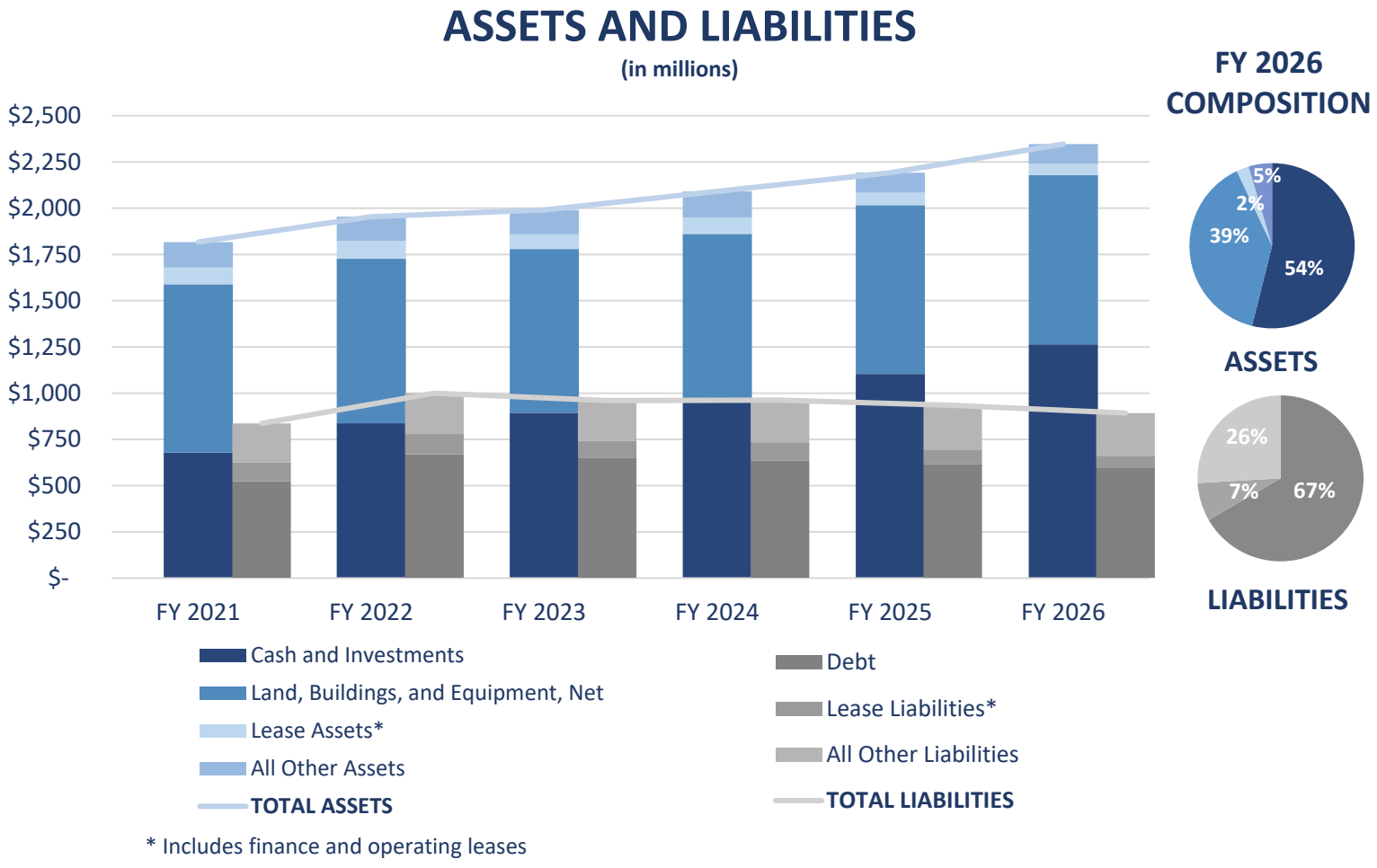
In addition to the dining facility expansion and Nevada Regional Campus projects already mentioned, fiscal 2026 included the renewal and expansion of the university's chiller plants and associated infrastructure; a new science lab; a floating solar array; improvements to fields and other athletic amenities; enhancements to safety and security; and renovations of certain administrative, clinical, and regional campus facilities.

Debt and Other Liabilities

Total liabilities decreased $38.7 million or 4.5 percent to $813.7 million as of June 30, 2026, from $852.5 million as of June 30, 2025. Reductions in long-term debt and operating lease obligations drove the overall decrease. Accounts payable and other current liabilities declined a collective $17.0 million mainly from general fluctuations in the timing of vendor payments, partly offset by higher deferred revenue of $4.1 million.

The university's debt portfolio is comprised of all fixed rate bonds, with no variable-rate debt outstanding. Total debt at par value decreased by $16.5 million to $525.3 million as of June 30, 2026, from $541.8 million as of June 30, 2025, due to regularly scheduled principal payments.

Operating lease liabilities totaled $60.1 million as of June 30, 2026, down $7.6 million or 11.2 percent from the prior year due to scheduled lease payments partially offset by new and renewed leased facilities.



Financial and Statistical Highlights

	Fiscal Year				
	2022	2023	2024	2025	2026
Fall Enrollment					
Undergraduate	6,637	6,971	7,219	7,311	7,057
Graduate	10,073	9,566	9,258	9,117	9,047
Professional	4,188	4,411	4,400	4,482	4,476
Total Enrollment	20,898	20,948	20,877	20,910	20,580
Total Full-Time Equivalent	18,057	18,302	18,393	18,398	18,113
Freshman Admissions					
Applications	11,749	16,789	17,621	17,765	16,881
Acceptances	10,868	12,726	12,805	13,006	12,757
Enrollments	1,672	1,978	2,029	2,030	1,661
Undergraduate Tuition	$ 33,510	$ 34,500	$ 35,880	$ 37,500	$ 39,000
Financial *(in thousands)*					
Total Assets	$ 1,954,327	$ 1,990,848	$ 2,090,841	$ 2,191,556	$ 2,346,712
Total Liabilities	$ 912,175	$ 875,455	$ 877,763	$ 852,454	$ 813,729
Total Net Assets	$ 1,042,152	$ 1,115,393	$ 1,213,078	$ 1,339,102	$ 1,532,983
Total Revenues	$ 674,106	$ 823,066	$ 894,462	$ 955,026	$ 994,864
Total Expenses	$ 686,040	$ 749,825	$ 796,777	$ 829,002	$ 800,983
Endowment Net Assets	$ 200,766	$ 224,941	$ 252,077	$ 276,974	$ 336,664
Land, buildings, and equipment, net	$ 893,841	$ 889,752	$ 897,721	$ 914,437	$ 917,282

Audited Consolidated Financial Statements

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Report of Independent Auditors

Management and the Board of Trustees
Nova Southeastern University, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Nova Southeastern University, Inc. (the University), which comprise the consolidated statement of financial position as of June 30, 2026, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University at June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of material misstatement, whether due to fraud or error.

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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 University's ability to continue as a going concern for one year after the date that the financial statements are 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 of 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 University'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 University's ability to continue as a going concern for a reasonable period of time.

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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.

Report on Summarized Comparative Information

We have previously audited the University's 2025 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Ernst & Young LLP

Boca Raton, FL
October 14, 2026

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Consolidated Statements of Financial Position

June 30, 2026 and 2025

($ in thousands)

ASSETS	2026	2025
Current Assets:		
Cash and cash equivalents	$ 79,515	$ 39,552
Restricted cash	8,478	7,931
Investments	497,333	459,657
Tuition and other receivables, net	43,097	43,245
Pledges receivable, current portion, net	11,731	8,659
Prepaid expenses and other current assets	17,788	14,399
Total current assets	657,942	573,443
Pledges receivable, net	19,551	25,755
Contributions receivable from remainder trusts	224	221
Scholarship funds held in trust by others	3,375	3,105
Designated investments	97,627	77,018
Restricted investments	200,238	165,884
Other investments	366,794	346,997
Restricted cash and cash equivalents	13,724	7,126
Land, buildings, and equipment, net	917,282	914,437
Operating lease right-of-use assets	58,358	65,507
Other assets	11,597	12,063
Total assets	$ 2,346,712	$ 2,191,556
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 39,112	$ 53,606
Deferred revenue	90,261	85,099
Current portion of long-term debt	17,045	16,455
Operating lease liabilities, current	20,625	22,758
Other current liabilities	28,731	31,262
Total current liabilities	195,774	209,180
Long-term debt	524,717	543,618
Due to beneficiaries under remainder trusts and annuities	82	89
Accrued insurance cost	21,686	20,273
Deferred revenue	16,940	18,029
Operating lease liabilities	39,513	44,940
Other liabilities	15,017	16,325
Total liabilities	813,729	852,454
Net assets:		
Without donor restrictions	$ 1,252,705	$ 1,095,934
With donor restrictions	280,278	243,168
Total net assets	1,532,983	1,339,102
Total liabilities and net assets	$ 2,346,712	$ 2,191,556

See accompanying notes to consolidated financial statements.

Consolidated Statements of Activities

Years Ended June 30, 2026 and 2025

(with summarized financial information for the year ended June 30,2025)

($ in thousands)

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
REVENUES AND RELEASES				
Net tuition and fees	$ 716,889	$ -	$ 716,889	$ 688,898
Contributions and private grants	1,578	32,212	33,790	16,296
Government grants and contracts	-	45,802	45,802	47,539
Auxiliary operations	65,272	-	65,272	65,797
Interest and dividends	28,030	3,267	31,297	27,387
Net unrealized gain on investments	25,325	18,575	43,900	62,255
Net realized gain on sale of investments	19,173	9,217	28,390	1,828
Other revenues	24,775	4,749	29,524	45,026
Net assets released from restrictions	76,712	(76,712)	-	-
Total revenues and releases	957,754	37,110	994,864	955,026
EXPENSES				
Salaries and wages	362,104	-	362,104	366,727
Employee benefits	94,648	-	94,648	93,055
Supplies and services	142,154	-	142,154	144,763
Space and occupancy	76,825	-	76,825	76,660
Depreciation and amortization	42,789	-	42,789	44,162
Interest	21,816	-	21,816	21,851
Other	60,647	-	60,647	81,784
Total expenses	800,983	-	800,983	829,002
CHANGE IN NET ASSETS	156,771	37,110	193,881	126,024
Net assets, beginning of year	1,095,934	243,168	1,339,102	1,213,078
NET ASSETS, END OF YEAR	$ 1,252,705	$ 280,278	$ 1,532,983	$ 1,339,102

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years Ended June 30, 2026 and 2025

($ in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	2026	2025
Change in net assets	$ 193,881	$ 126,024
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense and amortization of finance lease right-of-use assets	42,789	44,162
Amortization of premiums and issuance costs related to bonds payable	(1,856)	(1,968)
Noncash lease expense	23,386	22,946
Provision for credit losses	7,738	7,686
Loss on disposal of equipment and buildings	242	593
Gain on sale of buildings and land	-	(13,117)
Net realized gain on sale of investments	(28,390)	(1,828)
Net unrealized gain on investments	(43,900)	(62,255)
Contributions for investment and capital purchases	(17,702)	(6,403)
Decrease (increase) in assets from prior year:		
Tuition and other receivables	(3,501)	(1,344)
Pledges receivable	(957)	7,804
Prepaid expenses and other current assets	(3,388)	27
Contributions receivable from remainder trust and scholarship funds held in trust by others	(3)	3
Other assets	467	11,070
Increase (decrease) in liabilities from prior year:		
Accounts payable and accrued liabilities	(8,656)	715
Accrued insurance costs and other current liabilities	(243)	7,614
Deferred revenue	4,073	7,766
Operating lease liabilities	(23,798)	(22,779)
Other liabilities	(632)	(1,501)
Due to beneficiaries under remainder trusts and annuities	(7)	(5)
Net cash provided by operating activities	139,543	125,210
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(51,653)	(62,282)
Sale of buildings and land	-	21,269
Sales and maturities of investments	1,476,413	520,593
Purchases of investments	(1,516,829)	(589,767)
Net cash used in investing activities	(92,069)	(110,187)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	(16,455)	(15,915)
Lease payments	(1,613)	(1,815)
Contributions for investment and capital purchases	17,702	6,403
Net cash used in financing activities	(366)	(11,327)
Net increase (decrease) in cash, cash equivalents, and restricted cash	47,108	3,696
Cash, cash equivalents, and restricted cash, beginning of year	54,609	50,913
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 101,717	$ 54,609
Supplemental information:		
Interest paid, net of amounts capitalized	$ 23,728	$ 23,970
Accrued capital expenditures	$ 1,207	$ 7,044

See accompanying notes to consolidated financial statements.

1. University Organization

Nova Southeastern University, Inc. (NSU, or the university) is a not-for-profit, private institution and is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Founded in 1964, the university offers undergraduate degrees, graduate and first-professional degrees, and certificate programs to more than 20,000 full-time and part-time students in a wide range of academic programs. In addition to the main Fort Lauderdale/Davie and Oceanographic campuses in South Florida, courses are taught at 10 regional campuses located throughout Florida and in Puerto Rico, Colorado, and Nevada; and at limited sites in other states and foreign countries. NSU serves the residents of its community with various health care and law centers. The NSU University School offers innovative primary and secondary education to children from preschool through grade 12.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying consolidated financial statements include the university and its wholly owned subsidiaries, NSU Guaranty Insurance Company, Ltd.; NSU Grande Oaks, LLC; NSU Park Plaza, LLC; NSU Health, LLC; and The Pointe Corporate Office Park Property Owners Association, Inc. The latter two legal entities have no financial activity to date. All significant intercompany balances and transactions have been eliminated in consolidation. NSU classifies its transactions and balances into two categories of net assets according to the absence or existence of donor-imposed restrictions: (1) net assets without donor restrictions and (2) net assets with donor restrictions. Net assets without donor restrictions include transactions and balances without donor-imposed stipulations and may be used to achieve any institutional purpose; however, the Board of Trustees may designate net assets without donor restrictions for a specific purpose. Net assets with donor restrictions include transactions and balances with donor-imposed stipulations that normally expire in time, or can be fulfilled by actions of the university. However, certain donor restrictions are perpetual as they neither expire over time, nor can be fulfilled by actions of the university, requiring the related net assets to be permanently retained. Such permanently retained net assets are included within the net assets with donor restrictions category.

The consolidated financial statements include prior-year comparative information summarized in total, but not by net asset class. As this summarized information lacks sufficient detail for presentation in accordance with accounting principles generally accepted in the United States of America, the data should be read in conjunction with the prior year's consolidated financial statements.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires NSU to make estimates and assumptions about the reported amounts of assets and liabilities, the 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 these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and other highly liquid instruments with original maturities of three months or less at the date of purchase, excluding debt securities classified as current investments. Short-term U.S. Treasury securities and corporate obligations with original maturities of three months or less may be classified as current investments when they are acquired for investment purposes rather than maintained to satisfy immediate operating cash needs. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments.

Restricted Cash

Current restricted cash represents funds related to federal revolving student loan programs (see Note 10) and funds held on behalf of student clubs or organizations in which the university is serving in an agent capacity.

Approximately $2.9 million and $2.5 million of long-term restricted cash at June 30, 2026 and 2025, respectively, represents funds contributed in accordance with the joint-use library facility agreement (see Note 14) by NSU and

Broward County for capital repair, replacement, and renewal. In accordance with this agreement, these funds are maintained in an interest-bearing account. These funds are reflected as a long-term asset on the Consolidated Statements of Financial Position since they are restricted for long-term capital expenditures. Additionally, long-term restricted cash included $10.8 million and $4.6 million at June 30, 2026 and 2025, respectively, that is part of the university's endowment, and therefore, deemed long-term in nature.

NSU has cash balances with banks in excess of FDIC-insured limits, which therefore bear risk, including concentration of credit risk with respect to NSU's primary banking institutions. The university has not experienced any loss due to this risk.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows (in thousands).

	2026	2025
Cash and cash equivalents	$ 79,515	$ 39,552
Restricted cash	8,478	7,931
Long-term restricted cash and cash equivalents	13,724	7,126
Total	$ 101,717	$ 54,609

Investments

Investments in equity securities with readily determinable market values, debt securities, and assets held in trust are stated at fair value. Investments received as gifts are recorded at fair value at the date of donation.

Investments included in current assets may have maturities of up to five years from the purchase date and are acquired to generate investment returns while maintaining liquidity for current and anticipated operational needs. As such, these investments may include U.S. Treasury securities and corporate obligations with original maturities of three months or less that are classified as investments rather than cash equivalents. Investments are recorded at fair value using the market approach method; unrealized gains and losses are reflected in net unrealized gain or loss on investments.

Investments included in long-term assets comprise endowment investments, reported as designated and restricted investments, and other investments. Other investments include those made pursuant to a long-term investment horizon or are intended to support future capital expenditures (including bond proceeds received during fiscal 2022, see Note 9), and therefore, deemed long-term in nature.

Investments are subject to market and credit risks customarily associated with debt, equity, and real estate. Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the Consolidated Statements of Financial Position.

Tuition and Other Receivables and Allowance for Credit Losses

Tuition receivables consist of amounts billed to students for tuition, fees, housing, and other auxiliary charges. Clinic receivables consist of amounts billed to patients for services provided at NSU Health clinics. Tuition and clinic receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The university calculates the allowance for credit losses by separating receivables by type of receivable and into risk pools based on their aging. Loss rates are developed for each risk pool based on historical write-off experience, net of subsequent recoveries, and adjusted for management's expectations about current and future economic conditions.

Changes in the allowance for credit losses for the years ended June 30 are as follows (in thousands):

	2026	2025
Beginning Balance, July 1	$ 5,979	$ 5,179
Provision for credit losses	6,483	5,723
Write-offs, net of recoveries	(5,836)	(4,923)
Ending Balance, June 30	$ 6,626	$ 5,979

Deferred Debt Issue Costs

Costs related to the issuance of debt ($3.5 million at June 30, 2026, and $3.8 million at June 30,2025) are being amortized over the term of the related debt instrument using the bonds outstanding method, which approximates the effective interest method. In accordance with the Financial Accounting Standards Board's (FASB's) Accounting Standards Update (ASU) 2015-03, Interest—Imputation of Interest (Subtopic 835-30), debt issuance costs are presented in the Consolidated Statements of Financial Position as a direct deduction from the carrying amount of the related debt, consistent with the presentation of debt discounts and premiums.

Split Interest Agreements

These agreements with donors consist primarily of charitable remainder annuity trusts, unitrusts, and gift annuities.

Contributions receivable from remainder trusts:
The university is the beneficiary of trusts held and administered by others. The current values of estimated future cash receipts from the trusts are recognized in accordance with donor stipulations as assets and contributions with donor restrictions when NSU is notified of the establishment of the trust. Changes in the fair values of the trusts are recorded as other revenue with donor restrictions within the Consolidated Statements of Activities.

Due to beneficiaries under remainder trusts and annuities:
NSU is a trustee for trust assets, which are included in investments. Contribution revenues are recognized, in accordance with donor stipulations, when the trusts are established, after recording liabilities for estimated future payments (discounted over the donor's or other beneficiary's life expectancy using published mortality tables). These liabilities are adjusted annually for changes in asset values and estimated future benefits.

The university has entered into arrangements whereby assets are transferred from a donor, with purpose restrictions, to the university in exchange for a promise by the university to pay fixed amounts for a specified period of time to the donor or to other donor designees. The difference between the assets received and the estimated future payments (discounted over the specified period of time the payments are to be made) is recognized as contributions with donor restrictions.

Changes in split interest agreements, which are reflected as other revenue in the Consolidated Statements of Activities, increased by approximately $31,000 and $4,000, respectively, for fiscal 2026 and fiscal 2025.

At June 30, 2026 and 2025, amounts due to beneficiaries under annuity agreements were approximately $82,000 and $89,000, respectively. No amounts were due to beneficiaries under remainder trusts at June 30, 2026 and 2025.

Land, Buildings, and Equipment

Land, buildings, and equipment (including library books) are recorded at acquisition cost or fair value at the date of donation and are subsequently carried net of accumulated depreciation. Equipment expenditures in excess of $5,000 with an estimated useful life of two or more years are capitalized. Property and equipment under finance leases are initially valued and recorded based on the present value of the minimum lease payments. Depreciation is calculated using the straight-line method over the assets' estimated useful lives, ranging from 4 to 50 years, except for leasehold improvements and property and equipment under finance leases, which are amortized over the shorter of the expected useful life of the asset or the term of the related lease. NSU reviews long-lived assets for impairment when events or circumstances indicate the carrying amount will not be fully recoverable, based on estimated future cash flows. Interest on capital projects is capitalized during the construction period.

Insurance Programs

The university is partially self-insured for workers' compensation benefits, wholly owns an offshore captive insurance company (see Note 16), and maintains claims-made insurance policies with respect to certain other coverage. Liabilities for these claims are recorded based on actual loss history and actuarial calculations that include provisions for estimated losses incurred, but not reported, and the portion of insurance risk that has not been transferred to insurance carriers. Accrued insurance costs, net of 3.5 percent discount, approximated $28.4 million at June 30, 2026, and $26.7 million at June 30, 2025, of which $6.7 million and $6.4 million is included in other current liabilities as of June 30, 2026 and 2025, respectively. Undiscounted costs at June 30, 2026 and 2025, were $29.7 million and $27.9 million, respectively.

The university is a member of insurance and benefit associations. These associations assist universities in Florida in controlling insurance costs. Total expenditures to these associations of approximately $51.3 million and $48.6 million in fiscal 2026 and 2025, respectively, are recognized within other expenses and employee benefits expenses based on the nature of the underlying insurance program, in the accompanying Consolidated Statements of Activities.

Endowment Payout and Value

The university's investment policy provides that up to 5 percent of the market value of NSU's endowment fund be made available annually for expenditure. Absent donor stipulations to the contrary, no distributions are made from an individual endowment until the account reaches a minimum of $25,000. Until that time, all earnings are reinvested. In addition, there is a one-year holding period from the time an individual endowment is funded until it is available for distribution.

NSU's endowment assets include the endowment fund, consisting of cash and investments, as well as endowment-related pledges receivable. At June 30, 2026, endowment-related pledges receivable were $23.1 million, and the fair value of the endowment fund was $313.5 million, representing total endowment assets of $336.7 million. At June 30, 2025, endowment-related pledges receivable were $27.5 million, and the fair value of the endowment fund was $249.5 million, representing total endowment assets of $277.0 million. The endowment fund includes donor-restricted and board-designated endowments. Any declines in the fair value of donor-restricted endowments below their respective historical cost value are recorded as reductions in net assets with donor restrictions.

Tuition and Fees

Tuition and fees are reported net of scholarships and discounts. For fiscal 2026 and 2025, total scholarships and discounts were $167.1 million and $169.1 million, respectively. Tuition and fee revenue is recognized on a pro rata daily basis over the term of instruction. Unearned student tuition and fees relating to future instructional periods are recorded as current deferred revenue. Deferred tuition revenue was $83.4 million at June 30, 2026, and $78.6 million at June 30, 2025.

Contributions

Unconditional contributions without donor restrictions are recorded as increases in net assets without donor restrictions. Unconditional contributions with donor-imposed stipulations are reported as increases to net assets with donor restrictions, and reclassified to net assets without donor restrictions when stipulations are satisfied. Contributed assets to be maintained in perpetuity are classified as net assets with donor restrictions. Income from donor-restricted assets is classified according to the terms of the contribution. Conditional pledges are not recognized until the conditions are met.

Contributions to be received more than one year in the future are discounted based on a risk-adjusted discount rate. Amortization of the discount is recorded as contribution revenue and used in accordance with donor-imposed stipulations, if any. Any additional allowance made for uncollectible contributions is based on management's judgment, past collection experience, and other relevant factors.

Contributions of nonfinancial assets (such as land, buildings, equipment, or use thereof, materials and supplies, intangible assets or services) meeting criteria established by the university pursuant to U.S. generally accepted accounting principles (GAAP) are recognized at fair value. For the fiscal years ended June 30, 2026 and 2025, such

contributions were individually, and in the aggregate, immaterial to the university's consolidated financial statements and therefore have not been recognized therein.

Government Grants

Revenue from grants is recognized as the related expenses are incurred. Grant revenue recognized and expended within the same fiscal year is included as revenue with donor restrictions and net assets released from restrictions in the accompanying Consolidated Statements of Activities.

Leases

NSU recognizes and measures its leases in accordance with FASB Accounting Standards Codification (ASC) Topic 842, Leases. The university is the lessee of property and equipment under operating and finance leases. Upon execution of a new contract, NSU determines whether an arrangement is or contains a lease. Right of use assets represent NSU's right to use leased assets over the term of the lease. Lease liabilities represent NSU's contractual obligation to make lease payments over the lease term. Right-of-use assets and lease liabilities are measured, categorized, and recognized at lease commencement. The commencement date is when the university either takes possession of the asset, or in the case of real estate leases, when the landlord makes the building available for use. Operating leases as lessee are included in operating lease right-of-use assets and operating lease liabilities on the Consolidated Statements of Financial Position. The assets and liabilities associated with finance leases are included within land, buildings, and equipment, net and other liabilities, respectively, on the Consolidated Statements of Financial Position.

NSU has elected not to recognize right-of-use assets and obligations for leases with an initial term of 12 months or less, as well as certain leases consisting of generally low value (under $5,000) equipment. To the extent a lease arrangement includes both lease and non-lease components, the components are combined as one component.

Operating and finance lease right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term. NSU uses the rate implicit in a lease, if it is determinable. When the rate implicit in the lease is not determinable, NSU uses its incremental borrowing rate as of the commencement date to determine the present value of the lease payments. The lease term may include renewal or extension options to the extent they are reasonably certain to be exercised; this assessment is made at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases. Variable lease payments that do not depend on an index or rate are expensed as incurred (such as the pro rata share of actual real estate taxes, insurance, and common area maintenance costs associated with real estate leases).

The university leases property, primarily space within university facilities, under agreements that are classified as operating leases. The university's lessor arrangements are all operating leases and do not include any sales-type or direct finance leases. Property leased to others is included in land, buildings, and equipment, net on the Consolidated Statements of Financial Position. Short-term rental revenues and lessor operating lease income are recognized to the extent that amounts are determined to be collectible and included within other revenues in the Consolidated Statements of Activities, totaling $3.9 million and $3.5 million for fiscal 2026 and 2025, respectively.

NSU Museum of Art Fort Lauderdale

On July 1, 2008, the university merged with the Museum of Art, Inc. (the Museum), a not-for-profit organization, with NSU as the surviving organization. The Museum acquires art for its collection through purchase or by gift. As permitted by the FASB's ASC 958, Not-for-Profit Entities, the Museum does not include its collection items as assets in the Consolidated Statements of Financial Position. Accordingly, no value has been assigned to the Museum's art collection. As of June 30, 2026, the collection is insured for $55.0 million. The university's policy requires any proceeds from the sale of collection items to be used to acquire other items for the collection or for the direct care of its collection (expenditures that enhance the life, usefulness, or quality of an object, and improve the physical impact and condition of an item). Proceeds from the sale of collection items and expenditures for collection items purchased are reflected in the accompanying Consolidated Statements of Activities within other revenues and expenses, respectively. For fiscal

2026 and 2025, expenditures for collection items purchased but not capitalized were $18,000 and $138,000, respectively. There were no sales of collection items in either fiscal year.

When the Museum receives contributions of works of art with the donor's stipulation that they will be sold rather than added to the collection, such works of art are recognized as increases to net assets without donor restrictions at their fair value.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures, sets forth a framework for measuring fair value, which includes a hierarchy based on the observability of inputs used to measure fair value and provides for specific disclosure requirements based on the hierarchy.

Fair Value Hierarchy

ASC 820 requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the ASC 820 fair value hierarchy are described as follows:

Level 1—Financial assets and liabilities with values that are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the university has the ability to access

Level 2—Financial assets and liabilities with values that are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability

Level 3—Financial assets and liabilities with values that are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

Investments are carried at fair value. The fair value of alternative investments that contain certain provisions has been estimated using the Net Asset Value (NAV), as reported by the management of the respective alternative investment fund. Accounting guidance provides for the use of NAV as a practical expedient for estimating fair value of alternative investments that contain certain provisions. Accordingly, NAV reported by each alternative investment fund is used to estimate the fair value of the university's interest.

Accounting for Uncertainty in Income Taxes

The university follows the guidance contained in ASC 740, Income Taxes. ASC 740 addresses the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a threshold of more-likely-than-not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. There were no uncertain tax positions recorded in the consolidated financial statements for fiscal years 2026 or 2025.

Recent Accounting Pronouncements

Effective July 1, 2025, the University adopted ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which amends the guidance for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Upon adoption, the University elected the practical expedient to assume that current conditions as of the statement of financial position date remain unchanged over the remaining life of qualifying current receivables when developing its estimate of expected credit losses. Adoption of the amended guidance did not have a material impact on the University's consolidated financial statements.

3. Liquidity and Availability of Resources

As of June 30, 2026 and 2025, financial assets available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt and other current obligations, and capital construction costs not financed with debt, were as follows (in thousands):

	2026	2025
Cash and cash equivalents	$ 63,269	$ 31,646
Investments	472,782	432,773
Tuition and other receivables, net	43,097	43,245
Pledges receivable, current portion, net	4,384	4,090
Endowment investments appropriated for spending in the following year	5,826	4,916
Financial assets available within one year for general expenditures	$ 589,358	$ 516,670

Assets with purpose restrictions or designations that may be satisfied through general expenditure within the next year are considered available. In addition to these available financial assets, a significant portion of the university's annual expenditures will be funded by current year operating revenues including tuition, grants and contracts, and auxiliary operations. As part of the university's liquidity management strategy, the university structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the university invests cash in excess of daily requirements in short-term working capital investments.

Additionally, the university has board-designated endowment funds of $103.1 million and $79.2 million as of June 30, 2026 and 2025, respectively. Although the university does not intend to spend from its board-designated endowment funds, other than amounts appropriated annually for expenditure in accordance with the university's investment and spending policy, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 8 for disclosures about investments).

The university also has $34.8 million and $33.9 million in cash and investments as of June 30, 2026 and June 30, 2025, respectively, held by its wholly-owned captive insurance company (see Note 16) which are designated for insurance-related reserves, the total of which exceeds actuarially determined accrued insurance costs.

Finally, not included in the table above, are other cash and investments of $367.4 million and $345.4 million as of June 30, 2026 and 2025, respectively, which could be made available in part for general expenditure. However, these investments are either subject to a long-term investment strategy (containing investments with lock-up provisions that reduce the total that could be liquidated, see Note 8) or are intended to support future capital expenditures (including bond proceeds received during fiscal 2022, see Note 9).

The university also maintains a $50.0 million revolving line of credit that is available to meet short-term liquidity needs, if necessary, as described in Note 9.

4. Tuition and Other Receivables

Tuition and other receivables at June 30 consist of the following (in thousands):

	2026	2025
Student accounts, net of allowance of $3,262 in 2026 and $1,967 in 2025	$ 15,968	$ 15,277
Unreimbursed grant and contract expenditures	13,934	15,544
Health centers' patient accounts, net of allowance of $3,365 in 2026 and $4,013 in 2025	-	-
Accrued interest	6,034	5,474
Other	7,161	6,950
Total	$ 43,097	$ 43,245

5. Pledges Receivable

Unconditional promises to give to the university are included in the consolidated financial statements as pledges receivable and contribution revenue in the appropriate net asset category. In accordance with ASC 820, the university applies a present value technique to new pledges received, whereby the estimated future cash flows are discounted based on a risk-adjusted discount rate in order to determine the fair value of the pledge to be recorded as of the date the pledge was made. The risk-adjusted discount rates applied ranged from 0.8 to 14.4 percent.

Pledges are expected to be collected as follows as of June 30 (in thousands):

		2026	2025
Current:	In one year or less	$ 14,776	$ 11,109
	Less allowance	(3,045)	(2,450)
		11,731	8,659
Future:	Between one and five years	24,023	26,746
	More than five years	8,215	11,615
	Less discount and allowance	(12,687)	(12,606)
		19,551	25,755
	Total	$ 31,282	$ 34,414

At June 30, pledges receivable had the following donor stipulations (in thousands):

	2026	2025
Endowments	$ 36,518	$ 40,283
Property, plant, and equipment	416	580
Scholarships and other	10,080	8,607
Subtotal	47,014	49,470
Less discount and allowance	(15,732)	(15,056)
Total	$ 31,282	$ 34,414

The university received unconditional pledges from a related party and its associated organizations representing approximately 54.5 percent and 51.7 percent of the balance of outstanding pledges receivable as of June 30, 2026 and 2025, respectively. These pledges are payable in annual installments ranging from approximately $1.9 million to $3.8 million through fiscal 2033.

6. Investments

Investments at June 30 consist of (in thousands):

	2026	2025
Pooled investments:		
Mutual funds	$ 188,022	$ 157,267
Commingled funds	79,113	63,644
Private capital	28,376	17,807
Corporate obligations	682	483
Government-related obligations	1,171	3,536
Total	297,364	242,737
Other investments:		
Mutual funds	154,541	132,923
Equity securities	279	91
Commingled funds	69,660	60,238
Corporate obligations	476,864	388,966
Government-related obligations	163,284	224,601
Total	864,628	806,819
Total investments	$ 1,161,992	$ 1,049,556

Investments at June 30 are classified in the Consolidated Statements of Financial Position as follows (in thousands):

	2026	2025
Investments	$ 497,333	$ 459,657
Designated investments	97,627	77,018
Restricted investments	200,238	165,884
Other investments	366,794	346,997
Total	$ 1,161,992	$ 1,049,556

Investments at June 30, 2026 and 2025, include amounts received under split-interest agreements of approximately $0.2 million.

Mutual funds consist of investments in (i) domestic equity funds, including small and large capitalization stocks along with high dividend yield stocks; (ii) international equity funds, including developed and emerging markets; and (iii) fixed income funds, including U.S. Government and mortgage-backed securities along with high to medium quality investment-grade corporate bonds with various maturities.

Commingled funds consist of (i) mixed asset funds which invest in commodities, global natural resource stocks, global infrastructure stocks, real estate investment trusts (REITS), and treasury inflation-protected securities (TIPS) totaling $33.3 million and $22.6 million at June 30, 2026 and 2025, respectively; (ii) select strategy investments in global equity markets and equity oriented hedge funds totaling $79.7 million and $69.9 million at June 30, 2026 and 2025, respectively; (iii) absolute return/credit funds in distressed debt and special situations, and other alternative strategies totaling $24.9 million and $21.2 million at June 30, 2026 and 2025, respectively; and (iv) credit-oriented hedge funds that invest across varying asset classes, including bank debt, high yield, distressed and special situations, securitized assets, equities, convertible arbitrage, and risk arbitrage, totaling $10.9 million and $10.2 million at June 30, 2026 and 2025, respectively.

Private capital funds consist of investments in (i) private equity funds where the firm makes direct investments to private companies and/or investments in fund-of-funds that may target buyout funds or participate in venture growth funds across a variety of sectors in the U.S. and globally; and (ii) private real estate funds targeting traditional and non-traditional real estate projects which may also include distressed opportunities, debt, and property ownership.

Corporate obligations consist primarily of domestic investment-grade corporate bonds with fixed interest rates.

Government-related obligations consist primarily of U.S. Treasury bills, U.S. Treasury notes and government-sponsored enterprise (GSE) obligations with fixed interest rates.

7. Land, Buildings, and Equipment

Land, buildings, and equipment at June 30 consist of (in thousands):

	2026	2025
Land	$ 79,009	$ 77,429
Land improvements	116,800	113,549
Leasehold improvements	45,173	45,173
Buildings	1,050,328	992,331
Equipment	194,445	232,844
Library books	40,256	43,756
Construction in progress	32,982	60,488
Finance lease right-of-use assets	9,855	9,794
Total	1,568,848	1,575,364
Less accumulated depreciation and amortization	(651,566)	(660,927)
Net	$ 917,282	$ 914,437

Finance lease right-of-use assets includes buildings and equipment under finance leases. Amortization of these leased assets totaled $1.5 million and $1.8 million for fiscal 2026 and 2025, respectively, and accumulated amortization totaled $8.6 million and $7.1 million as of June 30, 2026 and 2025, respectively.

For fiscal 2026 and 2025, total depreciation and amortization expense was approximately $42.8 million and $44.2 million, respectively.

During fiscal 2025, two properties were sold resulting in a gain of approximately $13.1 million included in other revenues on the accompanying Consolidated Statement of Activities.

At June 30, 2026, the university had approximately $2.4 million of unsecured letters of credit relating to construction projects. Outstanding commitments on uncompleted construction contracts approximated $7.5 million at June 30, 2026.

8. Fair Value Measurements

Fair Value on a Recurring Basis

The following tables present the fair value measurement for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2026, grouped by fair value hierarchy (in thousands):

	2026 Total	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 24,948	$ 24,948	$ -	$ -
Mutual funds	16,113	16,113	-	-
Subtotal	41,061	41,061	-	-
Current investments:				
Mutual funds	-	-	-	-
Equity securities	-	-	-	-
Corporate obligations	408,183	-	408,183	-
Government-related obligations	89,150	-	89,150	-
Subtotal	497,333	-	497,333	-
Designated and restricted investments:				
Mutual funds	188,244	188,244	-	-
Equity securities	279	279	-	-
Commingled funds[1]	79,113	-	-	-
Private capital[1]	28,376	-	-	-
Corporate obligations	682	-	682	-
Government-related obligations	1,171	-	1,171	
Subtotal	297,865	188,523	1,853	-
Other investments:				
Mutual funds	154,319	154,319	-	-
Commingled funds[1]	69,660	-	-	-
Corporate obligations	68,680	-	68,680	-
Government-related obligations	74,135	-	74,135	-
Subtotal	366,794	154,319	142,815	-
Scholarship funds held in trust:				
Money market funds	8	8	-	-
Equity securities	2,531	619	1,912	-
Corporate obligations	836	-	836	-
Subtotal	3,375	627	2,748	-
Contributions receivable from remainder trusts	224	-	-	224
Total	$ 1,206,652	$ 384,530	$ 644,749	$ 224

[1]In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified 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 Consolidated Statements of Financial Position.

The following tables present the fair value measurement for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2025, grouped by fair value hierarchy (in thousands):

	2025 Total	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 5,990	$ 5,990	$ -	$ -
Mutual funds	6,562	6,562	-	-
Subtotal	12,552	12,552	-	-
Current investments:				
Mutual funds	36	36	-	-
Equity securities	91	91	-	-
Corporate obligations	290,399	-	290,399	-
Government-related obligations	169,131	-	169,131	-
Subtotal	459,657	127	459,530	-
Designated and restricted investments:				
Mutual funds	157,433	157,433	-	-
Commingled funds[1]	63,644	-	-	-
Private capital[1]	17,807	-	-	-
Corporate obligations	482	-	482	-
Government-related obligations	3,536	-	3,536	
Subtotal	242,902	157,433	4,018	-
Other investments:				
Mutual funds	132,721	132,721	-	-
Commingled funds[1]	60,238	-	-	-
Corporate obligations	98,567	-	98,567	-
Government-related obligations	55,471	-	55,471	-
Subtotal	346,997	132,721	154,038	-
Scholarship funds held in trust:				
Money market funds	8	8	-	-
Equity securities	2,253	535	1,718	-
Corporate obligations	844	-	844	-
Subtotal	3,105	543	2,562	-
Contributions receivable from remainder trusts	221	-	-	221
Total	$ 1,065,434	$ 303,376	$ 620,148	$ 221

[1]In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified 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 Consolidated Statements of Financial Position.

During the years ended June 30, 2026 and 2025, there were no transfers between Level 2 and Level 3 investments.

Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)

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

	2026	2025
Beginning balance, July 1	$ 221	$ 224
Net unrealized gain (loss)	3	(3)
Ending balance, June 30	$ 224	$ 221

All net unrealized gains or losses in the above table are reflected in the Consolidated Statements of Activities. Net unrealized gains or losses are determined based on changes in fair value of the instrument related to future expected cash flow associated with investments.

The fair value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective funds. The fair values of the investments held by funds that do not have readily determinable fair values are determined by each fund's investment manager and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investments, the fair value is determined by the investment manager taking into consideration, among other things, the cost of the investment, prices of recent significant placements of similar investments of the same issuer, and subsequent developments concerning the companies to which the investments relate. The university has performed due diligence regarding these investments and believes that the NAV of its alternative investments is a reasonable estimate of fair value as of June 30, 2026 and 2025.

The following table presents additional information pertaining to alternative investments as of June 30, 2026 (in thousands), the fair values of which have been estimated using the NAV of the investment funds:

	Designated and Restricted	Other Investments	Total Fair Value	Unfunded Commitments	Redemption Frequency (Subject to Restrictions Noted)	Redemption Notice in Days
Commingled funds (1)	$ 35,825	$ 44,855	$ 80,680	$ -	D/M/Q (2)	1-60
	16,765	10,667	27,432	-	A (One-Time or Rolling Locks) (3)	90
	19,813	9,286	29,099	-	V (Rolling Locks) (4)	60-120
	6,025	4,852	10,877	-	Q (Gate Restrictions) (5)	60-90
	685	-	685	-	Illiquid (6)	N/A
Subtotal	79,113	69,660	148,773	-		
Private capital:						
Private equity	25,385	-	25,385	14,469	Illiquid (7)	N/A
Private real estate	2,991	-	2,991	5,506	Illiquid (7)	N/A
Subtotal	28,376	-	28,376	19,975		
	$ 107,489	$ 69,660	$ 177,149	$ 19,975		

D: Daily M: Monthly Q: Quarterly A: Annually V: Varies

(1) Includes investments that may pursue alternative strategies to diversify risks, reduce volatility, and enhance returns. See Note 6.

(2) Investments totaling $9.7 million within this category contain restrictions with respect to partial redemptions, which require that the minimum balance for each investment remain at $1.0 million. Full redemptions are permitted.

(3) Investments are subject to rolling annual lock-up provisions permitting full liquidation on June 30, September 30 or December 31 each year depending on the particular investment. Investments totaling $11.1 million in this category include an additional soft lock provision that permits redemption for quarters ending other than June 30 with a 3.0 percent early withdrawal fee.

(4) Investments are subject to either rolling two-year or rolling three-year lock-up provisions with full liquidation permitted upon the expiration of the respective lock-up period. Investments with rolling two-year lock provision allow for partial redemptions on a declining percentage scale over time prior to the end of the lock-up period. A rolling three-year lock allows for annual, early redemptions up to 10 percent per year during the lock-up period without penalty. The next possible full redemption dates vary across these investments, ranging from approximately 6 to 27 months after June 30, 2026.

(5) Investments may be redeemed subject to gate of 25 percent per quarter with full redemption after four quarters. No less than 90 days' notice must be provided in order to redeem up to 25 percent of fund holdings each quarter.

(6) Investments represent side pockets or other illiquid positions after all liquid capital has been returned. These illiquid holdings will be paid out as capital becomes available.

(7) These investments cannot be redeemed. Capital invested is committed at the beginning of the fund term for approximately 10 years. Private equity and private real estate firms enter into value-enhancing transactions and distribute capital as these transactions are liquidated. The underlying investments in the funds are expected to be liquidated over the next 12 years.

Fair Value on a Nonrecurring Basis

As of June 30, 2026 and 2025, there were no financial assets or liabilities measured at fair value on a nonrecurring basis.

9. Long-Term Debt

Long-term debt at June 30 is summarized below (in thousands):

	2026	2025
HEFFA tax exempt Series 2016 bonds	$ 77,660	$ 82,325
Town of Davie tax exempt Series 2018 bonds	132,495	133,825
FDFC tax exempt Series 2020A bonds	10,875	14,265
FDFC taxable Series 2020B bonds	154,285	161,355
NSU taxable Series 2022 bonds	150,000	150,000
Par amount of bonds	525,315	541,770
Net unamortized premium	19,983	22,086
Net unamortized deferred issuance costs	(3,536)	(3,783)
Total	$ 541,762	$ 560,073
Current portion	(17,045)	(16,455)
Long-term debt	$ 524,717	$ 543,618

The university has entered into an Amended and Restated Master Trust Indenture (originally dated as of October 1, 2008, as previously amended, and as amended and restated as of June 1, 2020) with U.S. Bank Trust Company National Association, as successor Master Trustee (the Amended and Restated Master Trust Indenture). The Amended and Restated Master Indenture provides for notes issued and outstanding thereunder from time to time (collectively, the Notes, and, individually, a Note) to be secured by Pledged Revenues composed, generally, of (i) Tuition and Fees and (ii) Dormitory Revenues (as all such terms are defined in the Amended and Restated Master Trust Indenture).

As of June 30, 2026, the university had issued and outstanding four Notes under the Amended and Restated Master Trust Indenture relating to (1) bonds issued in 2016 (the 2016 Bonds) on behalf of the university by the Higher Education Facilities Financing Authority, created pursuant to the provisions of Chapter 243, Part II, Florida Statutes (HEFFA), (2) bonds issued in 2018 (the 2018 Bonds) on behalf of the university by the Town of Davie, Florida, a municipal corporation of the State of Florida (Town of Davie), (3) bonds issued in 2020, consisting of two series (the 2020A Bonds and the 2002B Bonds, respectively, and collectively the 2020 Bonds) issued on behalf of the university by the Florida Development Finance Corporation, created pursuant to Chapter 288, Part X, Florida Statutes (FDFC), and (4) bonds issued in 2022 directly by NSU (the 2022 Bonds). The 2016 Bonds, 2018 Bonds and 2020A Bonds were issued as tax-exempt bonds and the 2020B Bonds and 2022 Bonds were issued as taxable bonds.

The applicable Note issued with respect to the 2016 Bonds, 2018 Bonds, and 2020 Bonds secures the university's obligations under the respective loan agreement between the university and HEFFA, Town of Davie, or FDFC, as applicable. The Note issued with respect to the 2022 Bonds secures the university's obligations as issuer under a related indenture of trust.

Bonds

2022 Bonds—The 2022 Bonds were issued in March 2022 by NSU in the principal amount of $150,000,000. Proceeds from the issuance will be used by the university for general corporate purposes, including capital projects from the university's capital improvement plan. The 2022 Bonds bear interest at 4.8 percent per annum, payable

semiannually on April 1 and October 1. The 2022 Bonds are due in annual installments of $3,700,000 to $30,880,000 from 2044 through 2053.

2020A Bonds—The 2020A Bonds were issued in June 2020 through the FDFC, in the principal amount of $39,030,000. Proceeds from the issuance and other available funds were used to refund the outstanding Town of Davie Series 2009 Bonds and outstanding HEFFA Series 2012B Bonds. The 2020A Bonds bear interest at 5.0 percent per annum, payable semiannually on April 1 and October 1. The 2020A Bonds are due in annual installments of $3,560,000 to $3,740,000 through 2029.

2020B Bonds—The 2020B Bonds were issued in June 2020 through the FDFC, in the principal amount of $195,720,000. Proceeds from the issuance were used to refund the outstanding HEFFA Series 2011 Bonds, outstanding HEFFA Series 2012A Bonds, outstanding Town of Davie Series 2013A Bonds, and outstanding Town of Davie Series 2013B Bonds; redeem the outstanding Note Payable to a bank; and to finance capital projects that are part of the university's capital improvement plan. The 2020B Bonds bear interest at rates ranging from 1.6 percent to 4.1 percent per annum, payable semiannually on April 1 and October 1. The 2020B Bonds are due in annual installments of $1,285,000 to $19,655,000 through 2050.

2018 Bonds—The 2018 Bonds were issued in July 2018 through the Town of Davie, in the principal amount of $140,740,000. Proceeds from the issuance were used to finance a new residence hall and parking garage and to refund the outstanding BCEFA Series 2008A bonds. The 2018 Bonds bear interest at rates ranging from 4.0 percent to 5.0 percent per annum, payable semiannually on April 1 and October 1. The 2018 Bonds are due in annual installments of $1,420,000 to $19,990,000 through 2048.

2016 Bonds—The 2016 Bonds were issued in May 2016 through HEFFA, in the principal amount of $86,870,000. Proceeds from the issuance were used to refund the outstanding BCEFA Series 2006 bonds and a portion of the outstanding HEFFA 2011 bonds. The 2016 Bonds bear interest at 5.0 percent per annum, payable semiannually on April 1 and October 1. The 2016 Bonds are due in annual installments of $4,905,000 to $13,870,000 through 2036.

As previously described, all bonds outstanding as of June 30, 2026, representing the 2022 Bonds, 2020A Bonds, 2020B Bonds, 2018 Bonds, and 2016 Bonds, are secured by the applicable Notes issued and outstanding under the Amended and Restated Master Trust Indenture.

Future maturities of the university's long-term debt at June 30, 2026, are as follows (in thousands):

	Long -Term Debt
2027	$ 17,045
2028	16,835
2029	16,465
2030	13,940
2031	14,665
Thereafter through 2053	446,365
	$ 525,315

The Amended and Restated Master Trust Indenture contains customary conditions, provisions, and non-financial covenants. In the opinion of management, the university is in compliance with all such covenants as of June 30, 2026.

The university incurred interest charges for fiscal 2026 and fiscal 2025 of $22.9 million and $23.5 million, respectively. During fiscal 2026 and 2025, the university capitalized interest of $1.1 million and $1.6 million, respectively, resulting in net interest expense reflected in the accompanying Consolidated Statements of Activities of $21.9 million and $21.9 million at June 30, 2026 and 2025, respectively.

On May 6, 2026, NSU entered into an agreement with a national bank for an unsecured, revolving line of credit for $50.0 million with an option to increase to $100.0 million, subject to lender approval and certain other conditions. Interest is based on Secured Overnight Financing Rate (SOFR) plus an applicable spread, with an unused fee. The line of credit matures in May 2028. As of June 30, 2026, there were no outstanding advances under the line of credit.

10. Federal Revolving Student Loans

NSU participated in certain federal revolving loan programs under which loans were made to qualified students from federal and institutional contributions as well as prior borrowers' repayments. At June 30, 2026 and 2025, these student loans totaled $2.4 million and $2.9 million, respectively, and are included in the accompanying Consolidated Statements of Financial Position in other assets. Liabilities for refundable student loans of $2.8 million and $3.2 million at June 30, 2026 and 2025, respectively, are included in the accompanying Consolidated Statements of Financial Position in other liabilities.

11. Net Assets

Net assets released from restrictions were satisfied through grant or other operating expenditures, capital expenditures, and scholarships.

Net assets at June 30 were available for the following purposes or periods (in thousands):

	2026	2025
Without Donor Restrictions		
Board designated for:		
Preschool programs	$ 7,505	$ 6,539
Student scholarships	42,578	27,517
Faculty research and development	2,209	2,075
College of Law	14,241	12,397
Healthcare Colleges	31,258	26,176
Museum of Art	3,112	2,643
Research initiatives	2,157	1,820
Total Board designated	103,060	79,167
Physical plant equity	717,113	619,058
Other unrestricted amounts	432,532	397,709
Total without donor restrictions	$ 1,252,705	$ 1,095,934
With Donor Restrictions		
Endowments	210,463	170,323
Endowment-related pledges receivable	23,141	27,484
Gifts restricted by purpose	37,181	37,302
Scholarship funds held by trustees and restricted by purpose	3,375	3,105
Other restrictions	6,118	4,954
Total with donor restrictions	$ 280,278	$ 243,168
Total net assets	$ 1,532,983	$ 1,339,102

Endowment Net Assets

ASC 958, Not-for-Profit Entities, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The state of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) effective July 1, 2012.

The university's endowment consists of approximately 475 individual endowments established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the university has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the university classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) if applicable, accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time of the gift. Also classified as net assets with donor restrictions is the accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the university in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the university considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: restrictions, if any, placed upon the endowment fund by the donors; the duration and preservation of the endowment fund; the purpose of the university and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the university; and the university's investment policy.

The university has adopted an investment and spending policy for endowment assets that provides a predictable stream of funding to programs supported by its endowment, while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the university must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, the university 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 university targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Changes in endowment net assets, including endowment-related pledges receivable of $23.1 million, for the fiscal year ended June 30, 2026, consisted of the following (in thousands):

	Without Donor Restrictions	With Donor Restrictions	2026 Total
Net assets, beginning of year	$ 79,167	$ 197,807	$ 276,974
Investment return:			
Investment income	1,357	2,992	4,349
Net appreciation (realized and unrealized)	13,045	27,292	40,337
Total investment return	14,402	30,284	44,686
Contributions, net of discounts	10,332	9,310	19,642
Appropriation of endowment assets for expenditure	(841)	(3,797)	(4,638)
Net assets, end of year	$ 103,060	$ 233,604	$ 336,664

Changes in endowment net assets, including endowment-related pledges receivable of $27.5 million for the fiscal year ended June 30, 2025, consisted of the following (in thousands):

	Without Donor Restrictions	With Donor Restrictions	2025 Total
Net assets, beginning of year	$ 70,535	$ 181,542	$ 252,077
Investment return:			
Investment income	1,247	2,668	3,915
Net appreciation (realized and unrealized)	8,923	18,062	26,985
Total investment return	10,170	20,730	30,900
Contributions, net of discounts	635	(1,012)	(377)
Appropriation of endowment assets for expenditure	(2,173)	(3,453)	(5,626)
Net assets, end of year	$ 79,167	$ 197,807	$ 276,974

The composition of endowment net assets, including endowment-related pledges receivable of $23.1 million, by type as of June 30, 2026, was as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	2026 Total
Donor-restricted:			
Portion of perpetual funds that is required to be retained permanently by explicit donor stipulation[1]	$ -	$ 133,752	$ 133,752
Term endowment funds subject to a time or purpose restriction[2]	-	99,852	99,852
Board-designated	103,060	-	103,060
Total net assets	$ 103,060	$ 233,604	$ 336,664

[1]includes endowment-related pledges of $22.4 million

[2]includes endowment-related pledges of $0.7 million

The composition of endowment net assets, including endowment-related pledges receivable of $27.5 million, by type as of June 30, 2025, was as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	2025 Total
Donor-restricted:			
Portion of perpetual funds that is required to be retained permanently by explicit donor stipulation[1]	$ -	$ 125,671	$ 125,671
Term endowment funds subject to a time or purpose restriction	-	72,136	72,136
Board-designated	79,167	-	79,167
Total net assets	$ 79,167	$ 197,807	$ 276,974

[1]includes endowment-related pledges of $27.5 million

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the university to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that may occur. There were no such deficiencies at June 30, 2026 and June 30, 2025.

12. Expenses by Functional and Natural Classification

Expenses are presented by functional classification in alignment with the overall mission of the university. The university's primary service mission is academic instruction and research, which includes program services and directly supporting functions such as the university's library system and art museum. Student services and support include various student-supporting functions such as admissions and enrollment services, and athletics, as well as health care clinics and other auxiliary enterprises. General administrative and operations include fundraising and other institutional support.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Depreciation and plant operations and maintenance expenses are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories which have benefited from that associated debt.

Expenses by functional and natural classification for the year ended June 30, 2026, were as follows (in thousands):

	Academic and Research	Student Services and Support	General Administrative and Operations	Total
Salaries and wages	$ 257,672	$ 55,138	$ 49,294	$ 362,104
Employee benefits	61,344	10,140	23,164	94,648
Supplies and services	81,408	34,665	26,081	142,154
Space and occupancy	49,357	14,296	13,172	76,825
Other	22,933	14,783	22,931	60,647
Allocations:				
Depreciation	23,798	12,816	6,175	42,789
Interest	5,328	9,343	7,145	21,816
Operations and maintenance	10,557	8,950	(19,507)	-
	$ 512,397	$ 160,131	$ 128,455	$ 800,983

Expenses by functional and natural classification for the year ended June 30, 2025, were as follows (in thousands):

	Academic and Research	Student Services and Support	General Administrative and Operations	Total
Salaries and wages	$ 258,930	$ 56,903	$ 50,894	$ 366,727
Employee benefits	62,865	10,798	19,392	93,055
Supplies and services	76,648	38,727	29,388	144,763
Space and occupancy	50,286	13,638	12,736	76,660
Other	23,038	16,122	42,624	81,784
Allocations:				
Depreciation	25,412	12,745	6,005	44,162
Interest	5,437	9,404	7,010	21,851
Operations and maintenance	10,178	8,717	(18,895)	-
	$ 512,794	$ 167,054	$ 149,154	$ 829,002

Advertising costs are charged to expenses as incurred and totaled approximately $7.6 and $9.7 million for fiscal 2026 and 2025, respectively, and are included in the respective functional categories above.

13. Broward County Agreements

The following Broward County grant funds were received and expended during the year ended June 30, 2026 (in thousands):

Broward County	Agreement #	Description	Funds Received	Funds Expended
Human Services Department	26-CP-HCS-0961-RW-01-FY25	Ryan White Part A	$ 1,417	$ 1,399
Human Services Department	26-CP-HCS-0961-RW-01-FY26	Ryan White Part A	$ 471	$ 189

14. Alvin Sherman Library, Research, and Information Technology Center

In December 2001, the university commenced operations of a library, research, and information technology center and parking garage (collectively the Center). The design, construction, and operation of the Center were provided for under the terms of an agreement entered into with Broward County (the County) in fiscal 2000 (the Agreement). The Agreement stipulated that NSU would be the sole owner and operator of the Center, while County residents would have full access to the Center and full use of its databases and information resources.

Revenue from the County under the Agreement is recognized on a pro rata basis over the term of the Agreement (commencing in December 2001 with the opening of the Center). Funds of $13.7 million for the construction of the Center received from the County prior to fiscal year 2002 have been recorded as deferred revenue and are being amortized into income over the term of the Agreement. The County continues to provide funding for the Center. Based on the specified purpose of the funds received, these amounts are either recognized into income upon receipt or recorded as deferred revenue and subsequently amortized into income over the term of the Agreement. At June 30, 2026 and 2025, $9.6 million and $10.0 million were recorded as deferred revenue related to these funds, respectively, of which $0.5 million was classified as current at June 30, 2026 and 2025. During fiscal 2026 and 2025, $0.4 million of revenue was recognized.

Funds received from the County for certain operating expenses of the Center are recognized as revenue in the period earned and totaled approximately $5.2 million and $5.3 million during fiscal 2026 and 2025, respectively, and are included in other revenue on the Consolidated Statements of Activities.

15. University Park Plaza

In October 2001, the university acquired an interest in a limited partnership that owns and operates the University Park Plaza Shopping Center located in Davie, Florida. The partnership will continue until November 1, 2081, unless it is terminated as expressly provided in the agreement. NSU's capital contribution was $5.0 million for a 50 percent ownership in the partnership.

The university's partnership interest is being accounted for under the equity method. During both fiscal 2026 and fiscal 2025, NSU's investment balance was increased by contributions made of $0.2 million and reduced by NSU's proportionate share of net loss of $0.2 million. The investment balance, which is reflected in other assets, was approximately $2.9 million at June 30, 2026 and 2025.

16. NSU Guaranty Insurance Company

NSU formed a wholly owned, offshore captive insurance company in November 2003, NSU Guaranty Insurance Company, LTD. (the Captive), in the Cayman Islands to fund the deductible portion of claims filed under insurance carried to cover professional liability for medical malpractice and educators legal liability. The Captive also provides coverage for named windstorm property damage to the university.

The insurance contracts between the Captive and NSU do not transfer significant underwriting risk. The claims liabilities, as determined by independent actuaries, are included in accrued insurance cost in the accompanying Consolidated Statements of Financial Position.

17. Retirement Benefits

Effective January 1, 2012, NSU's 403(b) plan was frozen for participation and future contribution and the university adopted a 401(k) plan. NSU and plan participants contribute to the plan. The university recorded expenses related to these benefits of $24.2 million and $25.3 million during fiscal 2026 and 2025, respectively.

18. Leases and Other Commitments

The university has operating and finance leases for facilities, equipment, and vehicles. Asset and liability balances related to operating and finance leases on the Consolidated Statements of Financial Position as of June 30 are as follows (in thousands):

		2026		2025	
Classification on the Consolidated Statement of Financial Position		Assets	Liabilities	Assets	Liabilities
Operating leases					
Operating lease right-of-use assets		$ 58,358		$ 65,507	
Operating lease liabilities	Current		$ 20,625		$ 22,758
	Long-term		39,513		44,940
			60,138		67,698
Finance leases					
Land, buildings, and equipment, net		1,276		2,721	
Other liabilities	Current		735		1,611
	Long-term		661		1,337
			1,396		2,948
	Total	$ 59,634	$ 61,534	$ 68,228	$ 70,646

The components of lease expense for the year ended June 30 are as follows (in thousands):

Component	Classification on the Statement of Activities	2026	2025
Operating lease expense	Space and occupancy	$ 23,218	$ 22,946
Short-term lease expense	Space and occupancy	2,078	2,197
Variable lease expense	Space and occupancy	3,824	3,464
Finance lease expense:			
Amortization of right-of-use assets	Depreciation and amortization	1,506	1,767
Interest on lease liabilities	Interest	108	154
Total lease expenses		$ 30,734	$ 30,528

Supplemental cash flow information related to leases as of and for the year ended June 30 is as follows (in thousands):

	2026	2025
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 15,824	$ 1,532
Finance leases	61	367

The university's operating leases generally have terms that range from two to five years, with optional renewals. The university's finance leases generally have terms that range from two to five years. Average lease terms and discount rates as of June 30 are as follows:

	2026	2025
Weighted average remaining lease term (years):		
Operating leases	3.2 years	3.3 years
Finance leases	2.2 years	2.3 years
Weighted average discount rate:		
Operating leases	2.7%	2.5%
Finance leases	6.4%	4.9%

Future minimum lease payments under operating and finance leases as of June 30, 2026, expiring at various dates through 2031, are as follows (in thousands):

	Operating Leases	Finance Leases
2027	$ 21,651	$ 801
2028	21,490	424
2029	13,843	196
2030	2,645	78
2031	2,006	10
Thereafter	1,173	-
Total lease payments	62,808	1,509
Imputed interest	(2,670)	(113)
Present value of lease liabilities	$ 60,138	$ 1,396

Open purchasing commitments related to supplies and equipment were approximately $2.7 million as of June 30, 2026. Also, see Note 7 for outstanding commitments on uncompleted construction contracts and Note 8 for outstanding commitments to private capital investments.

19. Related Parties

The university has transactions with related parties including members of senior management, NSU's Board of Trustees, and their immediate family members. Affiliated entities may include organizations that employ a related party, that the related party owns or has an ownership interest in, or that the related party may have a governing role in. When such relationships exist, the university has policies governing annual disclosure and management of any actual or perceived conflict in the best interest of NSU.

During the years ended June 30, 2026 and 2025, the university incurred expenditures for goods and services provided by entities affiliated with related parties totaling $11.1 million and $18.4 million, respectively. These business transactions primarily included legal and consulting services and an operating lease for instructional space. The lease extends through fiscal 2029 with optional renewals thereafter. The operating lease liability was $23.6 million and $31.1 million, as of June 30, 2026 and 2025, respectively. Contribution revenues from related parties approximated $2.3 million and $0.7 million for the years ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and 2025, pledges receivable from these parties totaled $24.9 million and $23.9 million, net of discount, respectively.

Refer to Note 2 for the university's affiliation with insurance and benefit associations.

20. Litigation and Contingencies

In its normal operations, NSU is a defendant in various legal actions, some of which are covered by insurance. Additionally, NSU has contracts and grants with various governmental agencies subject to audit or review, which could result in adjustment or disallowance of certain expenditures or indirect costs. While final outcomes of pending matters cannot be determined at this time, per consultation with legal counsel, management is of the opinion that, based on currently known facts and circumstances, the outcome of these matters will not have a material effect on NSU's consolidated financial position or consolidated operating results.

The university is subject to various complex federal and state regulations, such as those governing healthcare and student financial assistance programs which are significant to the university's operations. Compliance with such regulations can be and are subject to the government's review and interpretation, and certain violations could result in the imposition of significant fines, penalties, and exclusion from applicable programs. In the normal course of activities pertaining to compliance oversight, there may be internal or external reviews ongoing at any time. The outcome of any ongoing or future reviews, audits, or regulatory examinations cannot presently be determined. Accordingly, the university cannot reasonably estimate the likelihood or extent of any potential adverse financial impact that could result from such matters.

The university is a member of insurance pools and benefit associations that assist universities in the state of Florida in controlling insurance costs. There is a risk that the university could be subject to future assessments related to its participation in these programs. Management does not believe that any material additional assessments exist as of June 30, 2026.

Recent legislative changes have been enacted that reduce federal student loan availability, modify repayment plans, and add new accountability measures for universities. Among the changes is the phase-out of a federal student loan program that has historically provided a significant portion of financial aid to the university's graduate and professional student population. As a result of the changes, the university is closely monitoring potential impacts on enrollment patterns as prospective and current students seek alternative sources to fulfil any gaps that may result from lower available federal aid. The administration continues to evaluate strategies to support accessibility of financing sources and prioritize affordability through various initiatives. The university cannot reasonably estimate at this time the likelihood or extent of any potential adverse financial impact that could result from federal student loan or other policy changes.

21. Subsequent Events

Pursuant to ASC 855, Subsequent Events, the university has reviewed all subsequent events through October 14, 2026, the date the consolidated financial statements were available to be issued.

NSU Florida

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