

REQUEST FOR PROPOSALS

NKU-08-2023



EXTERNAL AUDIT SERVICES

11/7/2022

ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.

Proposal NO: RFP NKU-08-2023
Issue Date: 11/07/2022
Purchasing Officer: Blaine Gilmore
Phone: 859.572.6449

RETURN ORIGINAL COPY OF PROPOSAL TO:

**Northern Kentucky University
 Procurement Services
 1 Nunn Drive
 617 Lucas Administrative Center
 Highland Heights, KY 41099**

IMPORTANT: BIDS MUST BE RECEIVED BY: (12/16/2022) 2:00 P.M. HIGHLAND HEIGHTS, KY time.

NOTICE OF REQUIREMENTS

1. The University's General Terms and Conditions and Instructions to Bidders, viewable at the [NKU Procurement Website](#), apply to this Request for Proposal.
2. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
3. Any agreement or collusion among Offerors or prospective Offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
4. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, may be fined not less than ten thousand dollars or more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);
2. That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition;
3. That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;
4. That the offeror is legally entitled to enter into contracts with the Northern Kentucky University and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.330 to .340, 164.390, and
5. That the Offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award
6. That I have fully informed myself regarding the accuracy of the statement made above.

SWORN STATEMENT OF COMPLIANCE WITH FINANCE LAWS

In accordance with KRS45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The Contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful Contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The Contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

RECIPROCAL PREFERENCE

- (1) Prior to a contract being awarded to the lowest responsible and responsive bidder on a contract by a public agency, a resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.
- (2) A resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:
 - (a) Is authorized to transact business in the Commonwealth; and
 - (b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.
- (3) A nonresident bidder is an individual, partnership, association, corporation, or other business entity that does not meet the requirements of subsection (2) of this section.
- (4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.
- (5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.
- (6) The Finance and Administration Cabinet shall maintain a list of states that give to or require a preference for their own resident bidders, including details of the preference given to such bidders, to be used by public agencies in determining resident bidder preferences. The cabinet shall also promulgate administrative regulations in accordance with KRS Chapter 13A establishing the procedure by which the preferences required by this section shall be given.
- (7) The preference for resident bidders shall not be given if the preference conflicts with federal law.
- (8) Any public agency soliciting or advertising for bids for contracts shall make KRS 45A.490 to 45A.494 part of the solicitation or advertisement for bids

DEFINITIONS

As used in KRS 45A.490 to 45A.494: (1) "Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item; and
 (2) "Public agency" has the same meaning as in KRS 61.805.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office. Your signature is acceptance to the Terms and conditions above.

DELIVERY TIME:	NAME OF COMPANY:	DUNS #
PROPOSAL FIRM THROUGH:	ADDRESS:	Phone/Fax:
PAYMENT TERMS:	CITY, STATE & ZIP CODE:	E-MAIL:
SHIPPING TERMS: F.O.B. DESTINATION - PREPAID AND ALLOWED	FEDERAL EMPLOYER ID NO.:	WEB ADDRESS:

READ CAREFULLY - SIGN IN SPACE BELOW - FAILURE TO SIGN INVALIDATES BID or OFFER

AUTHORIZED SIGNATURE: _____

NAME (Please Print Legibly): _____

TITLE: _____ DATE: _____

State of _____)

County of _____)

The foregoing statement was sworn to me this _____ day of _____, 20____, by
 _____.

(Notary Public)

My Commission expires: _____

THIS DOCUMENT MUST BE NOTORIZED

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1.0 DEFINITIONS

The term "addenda" means written or graphic instructions issued by the Northern Kentucky University prior to the receipt of proposals that modify or interpret the RFP documents by additions, deletions, clarifications and/or corrections.

The term "competitive negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The terms "offer" or "proposal" mean the offeror's/offers' response to this RFP.

The term "offeror" means the entity or contractor group submitting the proposal.

The term "contractor" means the entity receiving a contract award.

The term "purchasing agent" means Northern Kentucky University appointed contracting representative.

The term "responsible offeror" means a person, company or corporation that has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an offeror is responsible, the University may evaluate various factors including (but not limited to): financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; adversarial relationship between the offeror and the University that is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the offeror.

The term "solicitation" means RFP.

The term "University" means Northern Kentucky University.

2.0 GENERAL OVERVIEW

2.1 Intent and Scope

The intent of Northern Kentucky University is to seek external audit services. For full detail of Intent and Scope, see section **7.0 Request for Proposal**

2.2 University Information

Additional information regarding Northern Kentucky University can be found at <https://www.nku.edu/about.html>

3.0 PROPOSAL REQUIREMENTS

3.1 Key Event Dates

Release of RFP	November 7, 2022
Pre-Proposal Conference (Optional)	None
Deadline for Written Questions	November 18, 2022
Interviews	January 16-20, 2023
RFP Proposals Due	December 16, 2022

3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addenda, Written Questions and Answers, etc.) are directed to the appropriate persons within the offeror’s firm, each offeror who intends to participate in this RFP is to provide the following information to the purchasing officer. Prompt, thorough compliance is in the best interest of the offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the offeror. Without the prompt information, any communication shortfall shall reside with the offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Holly C. Vasquez
Associate Director
Northern Kentucky University
617 Lucas Administrative Center

Highland Heights, KY 41099
Phone: 859-572-5171
Fax: 859-572-6995
E-mail: vasquezh1@nku.edu

All communication with the University regarding this RFP shall only be directed to the purchasing agent listed above.

3.3 Pre-Proposal Conference

No pre-proposal conference will be held for this RFP.

3.4 Offeror Presentations

All offerors whose proposals are judged acceptable for award may be asked to make a presentation to the evaluation committee.

3.5 Preparation of Offers

The offeror is expected to follow all specifications, terms, conditions and instructions in this RFP.

The offeror will furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the offeror's capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP, in .PDF format only, is available through Northern Kentucky University's Plan Room at <https://www.nkuplanroom.com/purchasing/View/Login>.

3.6 Proposal Submission and Deadline

The respondent shall submit, via US Postal Service, courier or other delivery service:

- bound and sealed proposals (original plus 9 copies) and,
- one USB drive containing the proposal in electronic format
- include on outside of sealed package **RFP NKU-08-2023**

in a sealed package **by 2:00 PM on.**

Failure to provide the required number of and type of proposal copies will result in the submittal being considered non-responsive and disqualified from the selection process. Submittals shall be addressed to:

Mr. Blaine Gilmore, Director, Procurement Services

**617 Lucas Administrative Center
Northern Kentucky University
Highland Heights, KY 41099**

Note: Proposals received after the closing date and time will not be considered.

3.7 Modification or Withdrawal of Offer

An offer and/or modification of offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

3.8 Acceptance or Rejection and Award of Proposal

The University reserves the right to accept or reject any or all proposals (or parts of proposals), to waive any informalities or technicalities, to clarify any ambiguities in proposals and (unless otherwise specified) to accept any item in the proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, multiple awards or no award, whichever is in the best interest of the University.

3.9 Rejection

Grounds for the rejection of proposals include (but shall not be limited to):

- Failure of a proposal to conform to the essential requirements of the RFP.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the offeror's liability to the University on the contract awarded on the basis of such solicitation.
- Failure of the offeror to sign the University RFP. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of proposal after the closing date and time specified in the RFP.

3.10 Addenda

Any addenda or instructions issued by the purchasing agent prior to the time for receiving proposals shall become a part of this RFP. Such addenda shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

3.11 Disclosure of Offeror's Response

The RFP specifies the format, required information and general content of proposals submitted in response to this RFP. The purchasing agent will not disclose any portions of the proposals prior to contract award to anyone outside the Office of Procurement Services, the University's administrative staff, representatives of the state or federal government (if required) and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use or disclose all proposal data submitted by offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain valid for 90 days after the proposal due date.

3.12 Restrictions on Communications with University Staff

From the issue date of this RFP until a contractor is selected and a contract award is made, offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff or members of the board of regents except: the purchasing agent representative, any University purchasing official representing the University administration, others authorized in writing by the Office of Procurement Services and University representatives during offeror presentations. If violation of this provision occurs, the University reserves the right to reject the offeror's proposal.

3.13 Cost of Preparing Proposal

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the offerors. The University will provide no reimbursement for such costs.

3.14 Disposition of Proposals

All proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.

3.15 Alternate Proposals

Not applicable.

3.16 Questions

All questions should be submitted by either fax or e-mail to the purchasing agent listed in Section 3.2 no later than the date listed in Section 3.1.

3.17 Section Titles in the RFP

Section titles used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

3.18 No Contingent Fees

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

3.19 Proposal Addenda and Rules for Withdrawal

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the University purchasing office, signed by the offeror. Unless requested by the University, the University will not accept revisions or alterations to proposals after the proposal due date.

4.0 PROPOSAL FORMAT AND CONTENT

4.1 Proposal Information and Criteria

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and in the order listed to facilitate the University's review of the proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that offerors use the same numbers for the following content that are used in the RFP.

- Table of Contents
- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Executive Summary and Proposal Overview
- Proposal
- Addenda Acknowledgement (if applicable)

4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form

The Offeror will sign and return the proposal cover sheet and print or type their name, firm, address, telephone number and date. The person signing the offer must initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of their authority unless such evidence has been previously furnished to the purchasing agency. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a

proposal; that it is in all respects fair and in good faith without collusion or fraud; and that the signer is authorized to bind the principal offeror.

Non-Collusion and Non-Conflict of Interest form is attached to this RFP.

4.3 Executive Summary and Proposal Overview

The Executive Summary and Proposal Overview shall condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal.

4.4 Scope of Service

For full detail of Scope, see **Section 7.0 Request for Proposal**

5.0 EVALUATION CRITERIA PROCESS

For full detail of Criteria Process, see **Section 7.0 Request for Proposal**

III. Evaluation of Proposals

The detailed specifications and special terms and conditions describe those items considered essential for a comprehensive agreement, while allowing vendors sufficient latitude to make comprehensive and creative proposals to the University.

6.0 SPECIAL CONDITIONS

6.1 Contract Term

The contract resulting from this Request for Proposals will be effective from April 1, 2023 (or date of award of contract, whichever is later) through March 31, 2024 and shall cover all work associated with the 2022-2023 fiscal year.

6.2 Effective Date

The effective date of the contract shall be the date upon which the parties execute it and all appropriate approvals, including that of the Commonwealth of Kentucky Government Contracts Review Committee, have been received.

6.3 Competitive Negotiation

It is the intent of the RFP to enter into competitive negotiation as authorized by KRS 45A.085.

The University will review all proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final Offer to the purchasing agent. All information received prior to the cut-off time will be considered part of the offeror's Best and Final Offer.

The University also reserves the right to waive minor technicalities or irregularities in proposals providing such action is in the best interest of the University. Such waiver shall in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

6.4 Appearance Before Committee

Any, all or no offerors may be requested to appear before the evaluation committee to explain their proposal and/or to respond to questions from the committee concerning the proposal. Offerors are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

6.5 Additions, Deletions or Contract Changes

The University reserves the right to add, delete, or change related items or services to the contract established from this RFP. No modification or change of any provision in the resulting contract shall be made unless such modification is mutually agreed to in writing by the contractor and the Purchasing agent and incorporated as a written modification to the contract. Memoranda of understanding and correspondence shall not be interpreted as a modification to the contract.

6.6 Contractor Cooperation in Related Efforts

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The contractor shall fully cooperate with such other contractors and University employees and carefully fit its work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by University employees. This clause shall be included in the contracts of all contractors with whom this contractor will be required to cooperate. The University shall equitably enforce this clause to all contractors to prevent the imposition of unreasonable burdens on any contractor.

6.7 Entire Agreement

The RFP shall be incorporated into any resulting contract. The resulting contract, including the RFP and those portions of the offeror's response accepted by the University, shall be the entire agreement between the parties.

6.8 Governing Law

The contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky and all other local governments, public authorities, boards or offices relating to the property or the improvements upon same (or the use thereof) and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in accordance with KRS 45A.245.

6.9 Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act

To the extent Company receives Personal Information as defined by and in accordance with Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, 61.932 and 61.933 (the "Act"), Company shall secure and protect the Personal Information by, without limitation: (i) complying with all requirements applicable to non-affiliated third parties set forth in the Act; (ii) utilizing security and breach investigation procedures that are appropriate to the nature of the Personal Information disclosed, at least as stringent as University's and reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction; (iii) notifying University of a security breach relating to Personal Information in the possession of Company or its agents or subcontractors within seventy-two (72) hours of discovery of an actual or suspected breach unless the exception set forth in KRS 61.932(2)(b)2 applies and Company abides by the requirements set forth in that exception; (iv) cooperating with University in complying with the response, mitigation, correction, investigation, and notification requirements of the Act, (v) paying all costs of notification, investigation and mitigation in the event of a security breach of Personal Information suffered by Company; and (vi) at University's discretion and direction, handling all administrative functions associated with notification, investigation and mitigation.

6.10 Termination for Convenience

Northern Kentucky University, Office of Procurement Services, reserves the right to terminate the resulting contract without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor will be calculated at the agreed upon rate prior to a "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

6.11 Termination for Non-Performance**Default**

The University may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract;
- Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;
- Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Demand for Assurances

In the event the University has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

Notification

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the University may terminate the contract by giving forty-five (45) days' notice, by registered or certified mail, of its intent to cancel this contract.

6.12 Funding Out

The University may terminate this contract if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the contractor thirty (30) calendar days' written notice of termination under this provision.

6.13 Prime Contractor Responsibility

Any contracts that may result from the RFP shall specify that the contractor(s) is/are solely responsible for fulfillment of the contract with the University.

6.14 Assignment and Subcontracting

The Contractor(s) may not assign or delegate its rights and obligations under any contract in whole or in part without the prior written consent of the University. Any attempted assignment or subcontracting shall be void.

6.15 Permits, Licenses, Taxes

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the contractor need not be registered as a prerequisite for responding to the RFP.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

6.16 Attorneys' Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys' fees and costs at all stages of litigation.

6.17 Royalties, Patents, Copyrights and Trademarks

The Contractor shall pay all applicable royalties and license fees. If a particular process, products or device is specified in the contract documents and it is known to be subject to patent rights or copyrights, the existence of such rights shall be disclosed in the contract documents and the Contractor is responsible for payment of all associated royalties. To the fullest extent permitted by law the Contractor shall indemnify, hold the University harmless, and defend all suits, claims, losses, damages or liability resulting from any infringement of patent, copyright, and trademark rights resulting from the incorporation in the Work or device specified in the Contract Documents.

Unless provided otherwise in the contract, the Contractor shall not use the University's name nor any of its trademarks or copyrights, although it may state that it has a Contract with the University.

6.18 Indemnification

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages,

costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

6.19 Insurance and Bonding

If awarded, bidder / proposer must provide NKU with an insurance certificate listing NKU as a certificate holder and additionally insured.

**Northern Kentucky University
617 Lucas Administrative Center
1 Nunn Drive
Highland Heights, KY 41099**

The Contractor shall furnish the University the Certificates of Insurance and guarantee the maintenance of such coverage during the term of the contract. The Contractor shall provide an original policy endorsement of its CGL insurance naming Northern Kentucky University and the directors, officers, trustees, and employees of the University as additional insured on a primary and non-contributory basis as their interest appears. Additionally, the Contractor shall provide an original policy endorsement for Waiver of subrogation in favor of the Northern Kentucky University its directors, officers, trustees, and employees as additional insured.

Our basic insurance requirements are:

Workers' Compensation insurance with Kentucky's statutory limits and Employers' Liability insurance with at least \$100,000 limits of liability.

Comprehensive General Liability (CGL) Insurance the limits of liability shall not be less than \$500,000 each occurrence for bodily injury and \$250,000 property damage.

Comprehensive Automobile Liability Insurance: To cover all owned, hired, leased or non-owned vehicles used on the Project. Coverage shall be for all vehicles including off the road tractors, cranes and rigging equipment and include pollution liability from vehicle upset or overturn. Policy limits shall not be less than \$500,000 for bodily injury and \$100,000 for property damage.

Excess liability insurance in an umbrella form for excess coverages shall have a minimum of \$1,000,000 combined single limits for bodily injury and property damage for each.

Professional liability insurance covering \$1,000,000 per occurrence and \$3,000,000 in aggregate. Coverage must be applicable throughout the United States.

If accessing NKU Student, Employee, or other personal records, vendor needs Security and Privacy Liability Insurance with limits no less than \$1,000,000.

If accessing NKU Student, Employee, or other personal records, vendor needs Evidence Breach Response Services coverage with limits no less than \$5,000,000.

6.20 Method of Award

It is the intent of the University to award a contract to the qualified offeror whose offer, conforming to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to award a contract from this solicitation. The University reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposal received.

6.21 Reciprocal Preference

In accordance with KRS 45A.494, a resident offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident offeror. In evaluating proposals, the University will apply a reciprocal preference against an offeror submitting a proposal from a state that grants residency preference equal to the preference given by the state of the nonresident offeror. Residency and non-residency shall be defined in accordance with KRS 45A.494(2) and 45A.494(3), respectively. Any offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

An affidavit is provided and attached, for your convenience to this RFP.

6.22 Reports and Auditing

The University, or its duly authorized representatives, shall have access to any books, documents, papers, records or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review.

6.23 Confidentiality

The University recognizes an offeror's possible interest in preserving selected information and data included in the proposal; however, the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

If the offeror declares information provided in their response to be proprietary in nature and not available for public disclosure, the offeror shall declare in their response the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the offeror to be proprietary or confidential, either wholly or in part, not excluded by the Kentucky Open Records Act, KRS 61.870 may be deemed non-responsive and may be rejected.

The University's General Counsel shall review each offeror's information claimed to be confidential and, in consultation with the offeror (if needed), make a final determination as to whether or not the

confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

6.24 Conflict of Interest

When submitting and signing a proposal, an offeror is certifying that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the offeror. A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, contractor or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University purchasing agent identified in this RFP.

6.25 Extending Contract

The offeror's response to this RFP must state whether or not the offeror will permit the use of this contract by other Universities, state agencies, public and private institutions in the Commonwealth of Kentucky. An answer to this issue must be submitted within the response.

6.26 Personal Service Contract Policies

This RFP is for consulting or other personal services. Kentucky law requires a Personal Services Contract to be signed by the vendor and filed with the Legislative Research Commission in Frankfort prior to any work beginning. [statute.aspx \(ky.gov\)](#) defines a Personal Service Contract as "an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at a price agreed upon."

After Determination but prior to award, a Personal Services Contract will be sent to the winning offeror for signature. Please be sure to sign and return the **original** contract promptly to Northern Kentucky University. A Notice of Award will not be issued until the signed Personal Services Contract has been received by Procurement Services and filed with the Legislative Research Commission in Frankfort, KY.

REGARDING PERSONAL SERVICE CONTRACT INVOICING

House Bill 387 has now amended Kentucky Revised Statute 45A.695(10)(A) with the following language, "No payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee". The Personal Service Contract Invoice Form shall be used for this purpose and for your convenience we have added fields so that it can be filled in online and printed. This form can be located on NKU's Procurement Services website at: [Personal Service Contracts: Northern Kentucky University, Greater Cincinnati Region \(nku.edu\)](#)

**SPECIAL CONDITIONS
ANNUAL AUDIT SERVICES
REQUEST FOR PROPOSAL, NKU-08-2023**

7.0 Request for Proposal

I. General Information

A. Northern Kentucky University Contacts

1. Requester:

Jeremy Alltop
Vice President for Administration and Finance
836 Administrative Center
Northern Kentucky University
Highland Heights, KY 41099

2. Bound and sealed proposals (original plus nine (9) copies and digital copy)
Include on outside of sealed package RFP NKU-08-2023, and written
questions should be submitted to:

Blaine Gilmore
Director of Procurement Services
620 Administrative Center
Northern Kentucky University
Highland Heights, KY 41099
gilmoreb@nku.edu

Deadline: 2 p.m. December 16, 2022

3. Key Dates:

Release of RFP	November 7, 2022
Deadline for Written Questions	November 18, 2022
RFP Proposal Due Date	December 16, 2022
Offeror Presentations (optional)	January 16-20, 2023
Contract Award	March 2023

4. Firms submitting proposals for services listed in Section I.B must meet the following criteria:
 - a. The firms must have a sufficient number of personnel with experience in handling college and university audit engagements that will be assigned to the University's audit.
 - b. In addition to auditing services, the firm must have the capability of providing management services and advice on matters of taxation, if requested by the University.
5. Proposals as submitted are received without any obligation on the part of Northern Kentucky University or the Commonwealth of Kentucky and will be retained as part of the official records.
6. For statutory references made throughout this document, Kentucky Revised Statutes may be found as follows:
 - a. [Legislative Research Commission - Legislative Research Commission \(ky.gov\)](#)
 - b. Click on Kentucky State Law
 - c. Click on Kentucky Revised Statutes
 - d. Click on Title & Chapter
 - e. Scroll down to locate desired Statute
7. See Section VIII for additional Northern Kentucky University and NKU Research Foundation information that is pertinent to preparing a response to this RFP.

B. Nature of Services Required

1. The successful proposer will perform an examination of the financial statements of Northern Kentucky University (NKU) and Northern Kentucky Research Foundation (NKURF) in accordance with generally accepted auditing standards and Government Auditing Standards for the purpose of issuing an independent auditor's report. The firm will report to management any inherent weakness in controls, procedures, and policies and any instances of noncompliance with applicable laws or regulations along with recommended changes.
2. The auditors shall familiarize themselves with and comply with the provisions of any and all statutes, ordinances, charters, bond covenants, administrative codes and orders, rules and regulations that may pertain to the work required in this engagement.
3. Scope of the audit must address all requirements of the Commonwealth of Kentucky's Auditor of Public Accounts.
4. The time period to be audited is as follows:
July 1, 2022 through June 30, 2023
5. Scope of auditing services to be provided as follows:
 - a. Audit of the University's financial statements, for the fiscal year ended June 30, 2023 including an Auditor's Opinion Letter and Management

Letter. The most recent annual financial statements have been attached (Attached).

Opinion issued on or about September 30, 2023

- b. Audit of Federal Awards - including Title IV Student Financial Aid Programs, in accordance with Government Auditing Standards and the provisions of Single Audit Act for the University for the year ended June 30, 2023. The most recent report has been attached (Attached). Opinion and reports issued and filing completed on or about September 30, 2023.
The Data Collection Form must be completed and submitted within 30 days after the receipt of the auditor's report.
- c. Independent Auditor's Report on Compliance with House Bill 622 (KRS 164A.555 to 164A.630) entitled Financial Management of Institutions of Higher Education, for the year ended June 30, 2023 based on the audit of the University's financial statements. The most recent report has been attached, (Attached).
Opinion issued on or about September 30, 2023
- d. An Agreed Upon Procedures Audit of the University's athletic programs, as required by the NCAA. A one-year audit is completed every year for Division I universities. This audit is required for fiscal year 2022-23. A report must be completed by January 15, 2024 or as required by the NCAA. A copy of the most recent report is attached. (Attached).
- e. Kentucky Lease Law Compliance - The firm will issue an opinion on compliance with the Kentucky Lease Law, (KRS 56.800 through 56.823, KRS 48.111 and KRS 48.190). The opinion should summarize compliance testing procedures and results. For the previous audit NKU had no leases that met the Kentucky Lease Law criteria.
- f. Audit of the NKU Research Foundation as of June 30, 2023. The NKU Research Foundation is a not-for-profit Kentucky corporation affiliated with NKU and is included in the University's financial statements as a blended component unit. The most recent report has been attached (Attached).
Opinion issued on or about September 30, 2023
- g. Letter to the Commonwealth of Kentucky's Auditor of Public Accounts regarding subsequent events from the original University audit opinion date through approximately December 19, 2023. The actual due date is to be determined by the State Auditor of Public Accounts.
- h. Letter to the Commonwealth of Kentucky's Auditor of Public Accounts representing that the firm is in compliance with generally accepted auditing standards and Governmental Auditing Standards concerning continuing education requirements, independence and peer review.

6. Separate exit conferences will be held with:

NKU Board of Regents Audit and Compliance Committee
NKU Research Foundation Audit Committee (if requested)

Exit conferences will be held with major unit heads as appropriate.

C. Assistance Available to Auditor for Services in Section I.B

Workpapers, reconciliations, reports, etc. as prepared by the Comptroller's Office staff will be made available the week of August 22, 2023 for the University, and Federal Award audits and at least three weeks prior to the deadline requirement for additional audits. A list of documents and information required from the University (Client Assistance List) must be submitted no later than 3 weeks prior to due date. All proposals should include a description of the system used to track and upload documents on the Client Assistance List.

Bidders have the option of using the internal audit staff with various aspects listed in Section I.B.5 of the NKU audit up to 200 hours of assistance. The functions to be handled by the internal audit staff should be clearly defined in the proposal. The Internal Audit staff consists of a Director and 2 auditors with significant higher education and NKU experience. Bids should clearly identify fees with and without Internal Audit assistance.

D. Optional Services

1. NKU Foundation

Audit of the Northern Kentucky University Foundation, Inc.'s consolidated financial statements for the fiscal year ending June 30, 2023, including an Auditor's Opinion Letter and Management Letter. Last year's annual financial statements prepared in accordance with Financial Accounting Standards Board (FASB) are included in Appendix 1. The Foundation also requests a proposal to prepare and sign IRS Form 990 and Form 990T. An exit conference will be required with the NKU Foundation Audit Committee.

The NKU Foundation, Inc. is a legally unaffiliated, tax-exempt organization supporting the University that qualifies as a Section 501(c)(3) institution. Please refer to the attached financial statements and footnotes for further clarification.

The NKU Foundation, Inc. administers private funds raised to supplement the other resources available to the University. The NKU Foundation utilizes the same computer system resources (where applicable) as those used by the University. A donor data base is maintained using Raiser's Edge software.

The Foundation has no employees; the University provides all staffing, operational support services and office space. Endowment pool investments are managed by third-party managers and monitored by the Foundation's independent investment advisor.

The NKU Foundation, Inc. has consistently received unqualified opinions on all financial reports. The accounting staff is familiar with the reporting requirements of GAAP and FASB pronouncements.

The NKU Foundation, Inc. trial balance will be available approximately August 14, 2023 and the final opinion letter must be provided by September 13, 2023.

The audit committee of the NKU Foundation, Inc. will review bids for these services independently and may or may not accept the same proposal as the University.

2. IRS 990 and 990T Services

Preparation and signing of the University's IRS 990T and NKU Research Foundation's IRS 990/990T.

3. Other Optional Services

The University has an on-going need for specialized audit, accounting and tax consulting services, such as departmental reviews, consultation on accounting, debt issuance and human resources issues. It is anticipated that the offeror, as the external auditor of the University will, under this contract, have the right to provide requested services to the University on such issues.

4. Release of Audited Financial Statements

Release of financial statements as needed for issuance of debt

E. Contractual Arrangements

1. The contract will be a fixed price contract, based on proposed billing rates with a "not to exceed" maximum.
2. No commitments will be made for subsequent services; however, the contract may be extended in accordance with VI below.

F. Auditor's Workpapers

1. Auditor will retain workpapers for a period of not less than four years.
2. Upon completion of the Audit, copies of systems descriptions will be provided to the University.

G. Right to Reject

The University reserves the right to reject any and all proposals or to request additional information from any and all proposers.

II. Required Proposal Information

A. Cover Page

1. Proposed service and date of preparation.
2. Name and address of the firm.
3. Names and telephone numbers of individuals to be contacted for additional information, if necessary.

B. Table of Contents

Categorize and identify all documents submitted.

C. Letter of Transmittal

1. Addressed to:

Jeremy Alltop
Vice President for Administration and Finance
836 Administrative Center
Northern Kentucky University
Highland Heights, KY 41099

Mailed to:

Mr. Blaine Gilmore
Director of Procurement Services
621 Administrative Center
Northern Kentucky University
Highland Heights, KY 41099

2. Content:
 - a. Proposer's understanding of the service to be provided.
 - b. Identification of individuals who may make representation on behalf of the firm.
 - c. Identify the individual who may bind the firm to a contract.

D. Credentials of the Firm and Other Information

1. List of current higher education clients of the firm and identify the nature of the services provided to each client listed. If bidding on the NKU Foundation, Inc. provide a list of similar clients and the services provided.
2. Location of the office from which those resources will be provided.
3. Describe the range of activities or support services provided by that office.
4. Enumerate the credentials and relevant experience of the specific individuals who would be assigned to the audit.
5. Estimated Hours

a. Estimate the number of hours each individual will be assigned to the audit.

<i>Name</i>	<i>Title / Role</i>	<i>NKU (Offer A)</i>	<i>Foundation (Offer B)</i>
_____	Audit partner and similar	_____ hours	_____ hours
_____	Audit manager and similar	_____ hours	_____ hours
_____	Senior accountant and similar	_____ hours	_____ hours
_____	Staff accountant and similar	_____ hours	_____ hours
_____	IT Auditor and similar	_____ hours	_____ hours
<i>Other (Please list):</i>			
_____	_____	_____ hours	_____ hours
_____	_____	_____ hours	_____ hours
TOTAL HOURS		_____ hours	_____ hours

b. Give a percentage breakdown of the amount of time expected to be spent on site vs. time spent off site.

6. Organizational Chart - Provide an organizational chart of your firm indicating lines of authority for personnel involved in this potential contract.

E. Mandatory Criteria

1. Affirmation that the firm is a licensed certified public accounting firm that meets the standards of independence appropriate to the audit.
2. Completion of the four (4) affidavits and certifications, concerning the Commonwealth of Kentucky's campaign finance laws, conflict of interest requirements, unemployment and workers' compensation compliance, and compliance with various tax laws.

- F. Proposer's Approach to the Examination or Audit
Submit a summary work plan for each audit, which is to include, but not limited to, the following:
1. A detailed work plan to include an estimated amount of time for each audit or service described in Section I.B.5 and/or Section I.D.1-2 required or desired assistance from the University for each audit or service described in Section I.B.5 and/or Section I.D.1-2.
 2. Anticipated timetable for each audit or service described in Section I.B.5 and/or Section I.D.1-2
 3. If Internal Audit assistance is requested proposals should include a description of audit areas to be performed by the Internal Audit staff for each audit or service described in Section I.B.5.
 4. Other information as appropriate
- G. Method of Bidding
- Separate offers will be received by the University for the:
- a. NKU/NKU Research Foundation Audit as described in Section I.B.5 (Offer A).
 - b. NKU Foundation, Inc. as described in Section I.D.1. (Offer B)
 - c. Firms may submit offers for the NKU/NKURF audit, the NKU Foundation, Inc. audit and/or a combined offer. Bidders interested in both audits are encouraged to propose a combined price that is less than the total of the two individual offers, as there are economic benefits achieved by performing both audits. (Offer C)
 - d. NKU 990T and NKURF 990/990T Section I.D.2 (Offer D)
 - e. Other Services Section I. D.3 (Offer E)
- H. Compensation
1. Quote the "not to exceed" fixed fees for the services to Northern Kentucky University and the NKU Foundation, Inc.
 2. Separate fees should be provided for each audit listed below:
 - a. Audit of University's general financial statements, and management letter including compliance with state requirements as outlined in Section I.B.5.a, Section I.B.5.g and Section I.B.5.h.
 - b. Single Audit as outlined in Section I.B.5.b Fee should assume 2-4 major programs
 - c. Compliance with House Bill 622 in Section I.B.5.c
 - d. NCAA Audit as outlined in Section I.B.5.d
 - e. Kentucky Lease Law as outlined in Section I.B.5.e Note the number of leases associated with this fee.
 - f. NKU Research Foundation as outlined in Section I.B.5.f

- g. NKU Foundation, Inc. Financial Statements I.D.1
- h. Hourly rate for Optional Services as outlined in Section I.D.3
- i. Fee for Optional Service to Prepare, Review and Sign IRS form 990/990T as outlined in Section I. D.2

I. Method of Award

Separate contracts will be awarded for the University audit (Section I.B.5) and the NKU Foundation, Inc. audit (Section I.D.1). Contract may be awarded to two separate firms. The NKU audit contract will be awarded based on the requirements of Kentucky's Model Procurement Code, KRS 45A.085. The NKU Foundation, Inc. audit contract will be awarded based on what is determined to be in the best interest of the Foundation.

Required:

Offer A: Required Services (Section I.B.5)

Cost for NKU/NKURF Audit

	<u>Total Cost</u>	<u>Est. Hours</u>
Audit of NKU Financial Statements	\$ _____	_____
Federal Award Audit	\$ _____	_____
Compliance with HB 622	\$ _____	_____
NCAA AUP Audit	\$ _____	_____
Kentucky Lease Law Audit	\$ _____	_____
NKU Research Foundation	\$ _____	_____
Total without IA Assistance	\$ _____	_____
Total with IA Assistance	\$ _____	_____

Optional:

Offer B: Section I.D.1

Cost for NKU Foundation, Inc. Audit	\$ _____	_____
NKU Foundation, Inc. IRS Form 990	\$ _____	_____
NKU Foundation, Inc. IRS Form 990T	\$ _____	_____

Offer C:

Combined NKU and NKU Foundation, Inc.

\$ _____

Offer D: Section I.D.2

-NKU IRS Form 990T (Prepare, Review and Sign)	\$ _____
-NKU Research Foundation IRS Form 990 (Prepare, Review and Sign)	\$ _____
- NKU Research Foundation IRS Form 990T (Prepare, Review and Sign)	\$ _____

-Release of Financial Statements related to
Debt Issuance \$ _____

Offer E: Section I.D.3

Please provide hourly rates that will apply to billing for the optional services requested in Section I.D.3 by level of personnel required:

Audit partner and similar	\$ _____ per hour
Audit manager and similar	\$ _____ per hour
Senior accountant	\$ _____ per hour
Staff accountant	\$ _____ per hour
Tax partner and similar	\$ _____ per hour
Tax manager and similar	\$ _____ per hour
Tax senior	\$ _____ per hour

Other (Please list):

_____	\$ _____ per hour
_____	\$ _____ per hour
_____	\$ _____ per hour

J. Additional Data

You may provide any additional data that you feel appropriate to the proposal.

III. Evaluation of Proposals

Proposals will be evaluated by predetermined criteria, including but not limited to:

1. Firms Expertise Overall 30 points

- Overall range of activities and services that can be provided
- Experience specifically in public higher education
- Experience at other Kentucky universities
- Experience auditing an ERP environment like SAP
- Experience with university foundation auditing (optional)

2. Expertise and experience of personnel assigned 25 points

- Staff's experience in external auditing in general
- Experience performing public higher education audits (F/S, Fed Awards, NCAA)
- Reasonableness of hours for each level of management

3. Audit plan 25 points

- Thoroughness of work plan
- Reasonableness of timetable and estimated hours
- Demonstrated plan to coordinate the audit of several entities (Foundation, Research Foundation, Federal Awards etc)

4. Size and structure of the firm 10 points

- Will the size/location promote responsiveness
- Reasonableness of on-site vs. of- site hours

5. Overall proposal evaluation 10 points

After the top candidates have been selected through the above process, offeror presentations may be arranged with any or all such candidates to assist in making the final selection.

IV. Award

A contract shall be awarded by Northern Kentucky University's Board of Regents to the firm that, in the opinion of the Board, has submitted the best proposal as determined by the evaluation criteria described above.

V. Terms of Contract

The contract resulting from this Request for Proposals will be effective from April 1, 2023 (or date of award of contract, whichever is later) through March 31, 2024 and shall cover all work associated with the 2022-2023 fiscal year.

VI. Renewal

This contract is subject to renewal for up to three (3) additional fiscal years with the concurrence of both parties and the Legislative Research Commission. Any renewal will be on a year-to-year determination.

VII. Price Adjustment

A. Adjustment upon Renewal

The prices quoted on this proposal shall be firm throughout the life of the contract covering the fiscal year 2022-23 audit. Any requests for increases in hourly rates and/or the maximum fixed fees shall be fully documented by the successful audit firm at the time of renewal, and shall not exceed the percentage increase in the U. S. Department of Labor, Bureau of Labor Statistics Consumer Price Index (December to December).

B. Change in Scope

Nothing in the contract resulting from this RFP shall prohibit a renegotiation of price due to changes in auditing standards, federal, or Commonwealth of Kentucky requirements, or changes in the overall scope of the audit as requested by the University.

VIII. Additional University Information

Northern Kentucky University is a public institution within the higher education system of the Commonwealth of Kentucky. Total enrollment at the university is approximately 14,000 students and has an operating budget of \$260 million. Employment is approximately 1800 faculty and staff. The academic structure of the university consists of seven colleges:

- College of Arts and Sciences
- College of Informatics
- Haile College of Business
- College of Health and Human Services
- College of Education
- Honors College
- School of the Arts
- Chase College of Law

All University core administrative applications are primarily maintained on networked computer servers. The University utilizes SAP for its financial, human resources and student systems. Other administrative systems in use at the University include Mercury (formerly RMS) used by the Housing Office and Sigma which is used by the Office of Student Financial Assistance. All university facilities including residence halls have access to the wide area network, supported by a group of Windows servers.

NKU food, vending and bookstore services are outsourced.

NKU Research Foundation- The Research Foundation, Inc. is organized for educational purposes to support Northern Kentucky University's efforts to promote the development,

implementation, and coordination of extramurally-sponsored and foundation-supported programs involving research, instruction, public service, including the administration of conservation easements, and other projects that further the mission of the University. The Research Foundation is a not-for-profit Kentucky corporation affiliated with Northern Kentucky University and is included within the University's financial statements as a blended component unit.

Uniform Guidance Federal Award Audit-during preparation of the 2021-2022 Uniform Guidance Audit NKU qualified as a low-risk auditee. NKU had four major program in 2021-22. Bidders should anticipate between 2-4 major programs for 2022-2023.

Lease Law-The 2021-2022 Kentucky Lease Law audit identified no agreements that qualified as a capitalized lease subject to this audit requirement. At this time we do not anticipate any leases that meet the audit requirement for fiscal year 2022-23.

Northern Kentucky University also operates an arena for intercollegiate basketball games, events and meetings. This arena is owned by the University and managed by an outside contractor. NKU participates at the NCAA Division I level.

The university has consistently received unqualified opinions on all financial reports. The accounting staff is familiar with the reporting requirements of GAAP and GASB pronouncements.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky

Annual Financial Report

June 30, 2022



2021-2022 FINANCIAL REPORT

BOARD OF REGENTS

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Vice Chair

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Mr. Ken Bothof
Athletic Director

Dr. Bonita Brown
Vice President and Chief Strategy Officer

Dr. Matt Cecil
Provost and Executive Vice President
for Academic Affairs

Mr. Ben Figueroa
Interim Vice President Administration & Finance/
Chief Financial Officer

Mr. Eric C. Gentry
Vice President for University Advancement

Dr. Valerie Hardcastle
St. Elizabeth Healthcare Executive Director
of the Institute for Health Innovation
and Vice President for Health Innovation

Dr. Eddie Howard
Vice President for Student Affairs

Ms. Tammy Knochelmann
Executive Assistant to the President
and Secretary to the Board of Regents

Ms. Elizabeth Meiszer
Interim Vice President for Legal Affairs
and General Counsel

Mr. Darryl Peal
Chief Diversity, Equity and Inclusion Officer

Ms. Lori Southwood
Chief Human Resources Officer

Mr. Russell Kerdolff
Comptroller

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October 6, 2022

Northern Kentucky University Board of Regents
Highland Heights, KY 41099

Dear Members of the Board:

I am pleased to share the University's 2021-22 Annual Financial Report. The firm of FORVIS, LLP, has audited the attached statements and accompanying footnotes.

The University continued to be affected by the impact of the pandemic in 2022. The University was able to offset some of the operating revenues that were lost and also provide emergency aid to students that were most impacted by the pandemic through federal relief dollars granted to the University. The pandemic significantly impacted our predicted enrollment for the fall of 2021 resulting in an overall decrease in total enrollment of 1.3% however our accelerated online offerings grew dramatically. Graduate-level headcount represented 28.8% of our total enrollment.

After the University's decision to leave the KERS nonhazardous pension plan in 2021 the positive impact of the cessation can be seen on the 2022 financial statements. As a result of the cessation, the University reduced pension and OPEB related liabilities resulting in an increase in net position of \$218.6 million. The cessation has allowed the University to reduce annual pension contributions and reduce liabilities related to employee pensions.

The University is continuing its efforts to diversify revenue sources, contain costs, and redirect resources to core mission priorities. The continued growth in funds provided through endowments, gifts, and other sources of revenues will be essential as the University strives to meet the needs of our students. We are continuing to invest in activities that support the three pillars of student success — increased access, higher levels of completion, and advancing opportunities for career and community engagement for all students.

Over the past year, the campus community has taken additional steps toward being a more student-ready, regionally engaged university in alignment with the Success by Design strategic framework. Just a few weeks ago, NKU and its partners at Brighton Center and the City of Highland Heights cut the ribbon on Opportunity House, which is home to 16 affordable apartments for foster care alumni and other vulnerable young adults ages 18-to-24 who are pursuing a college degree or professional certificate at NKU or Gateway Community and Technical College. Removing the financial and social barriers to high-quality higher education is at the core of NKU's values of meeting students where they are, increasing access to education and year-to-year retention. The key to that retention is providing the necessary academic resources early in a student's college career, considering the adjustments students must make from high school to college. That is why NKU was proud to open the First-Year Student Success Hub in the spring, which is a one-stop shop for students working on their first 30 credit hours to receive academic advising with a coordinated-care approach. We also expanded the Young Scholars Academy, which allows high school students to take college courses while still in high school, from one school district to nine school districts throughout northern Kentucky.

The University continues to be recognized locally and globally for its efforts in the field of innovation and entrepreneurship. In July, NKU was named one of the most innovative universities in the world by World's Universities with Real Impact (WURI). The study ranked NKU No. 78 in the Global Top 100 Most Innovative Universities, putting the University as the 28th-highest university in the United States, higher than any university from the Greater Cincinnati region or the Commonwealth of Kentucky. In the category of entrepreneurial spirit, NKU ranks No. 17 globally, which is sixth in the United States. This is a direct result of the incredible work done by the University to instill an innovative mindset throughout campus, from entrepreneurship to health innovation. Also of note is that NKU is in the top tier of colleges and universities in the United States when it comes to economic mobility and the return on investment for low-income students and Pell Grant recipients, according to a new report by the public policy think tank, Third Way.

The Institute for Health Innovation continues to make strides in increasing healthcare access in our community. Late last year, the IHI received a grant from the United States Department of Agriculture to expand telemedicine and telehealth resources in rural, underserved northern Kentucky counties. The NKU Center for Integrative Natural Science and Mathematics (CINSAM) continues to do excellent work in preparing K-12 students in our community for a future in the areas of science, technology, engineering and mathematics (STEM), thanks to two grants received in the past year. The Martha Holden Jennings Foundation's generous gift allows CINSAM to expand its STEM2U after-school program, while a gift from the Duke Energy Foundation aids the effort to reacclimate teachers to STEM curriculum post-COVID pandemic.

Of course, more remains and NKU will continue to serve the ambitions of learners and the region, creating real and impactful success. I look forward to another successful year.

Sincerely,



Ashish K. Vaidya, Ph.D.
President

Independent Auditor's Report

Board of Regents
Northern Kentucky University
Highland Heights, Kentucky

Opinions

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of Northern Kentucky University (University), collectively a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary activities of the University, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the 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 opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the University adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter from the president and listing of members of the Board of Regents and University's Administration but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

Cincinnati, Ohio
October 6, 2022

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Management's Discussion and Analysis
Year Ended June 30, 2022

Northern Kentucky University's (the University) Management's Discussion and Analysis of its financial condition provides an overview of the financial performance of the University and its affiliated corporations for the year ended June 30, 2022 with selected comparative information for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

As a public comprehensive university located in a major metropolitan area, the University delivers innovative, student-centered education and engages in impactful scholarly and creative endeavors, all of which empower our graduates to have fulfilling careers and meaningful lives, while contributing to the economic, civic, and social vitality of the region.

Financial Highlights

The University's assets increased by \$8.6 million, or 1.6 percent, for the year ended June 30, 2022 and now total \$562.9 million. Liabilities decreased by \$419.0 million, or 53.6 percent, for the year ended June 30, 2022 primarily as a result of the University's exit from the Kentucky Employers Retirement System (KERS) nonhazardous plan resulting in the reduction of net pension and OPEB liabilities of \$403.9 million. Bonds, notes and leases payable, net of discounts and premiums, totaled \$325.4 million and \$341.5 million at June 30, 2022 and 2021, respectively. The University's net position totaled \$189.0 million and \$(5.8) million at June 30, 2022 and 2021, respectively. Net position increased \$194.8 million primarily due to the cessation from KERS nonhazardous.

The University's operating and nonoperating revenues totaled \$265.8 million for the year ended June 30, 2022, an increase of \$10.9 million compared to 2021. Operating revenues increased by \$6.2 million for the year ended June 30, 2022, driven primarily by an increase in housing and dining revenue. Tuition and fee revenues net of scholarship allowances were down \$1.9 million for the year. The University continued to be affected by the impact of the pandemic in 2022. The University was able to offset some of the operating revenues that were lost due to the pandemic through a federal grant funded by the American Rescue Plan Act of 2021 (the "ARP"). For the year ended June 30, 2022, the University recovered lost tuition and fees of \$5.7 million and lost auxiliary enterprises revenue totaling \$2.5 million through the ARP grant. The University also used an additional \$3.0 million for educational supplies, student reengagement expenses, technology and other expenses. In addition, the University disbursed \$11.9 million in student emergency grants in fiscal year 2022 funded by a separate ARP grant.

The University's state-funded endowments totaled \$14.4 million as of June 30, 2022, a decrease of \$1.5 million compared to 2021. These funds, along with the private endowed gifts donated to benefit the University, are managed by Northern Kentucky University Foundation, Inc. (Foundation) and totaled \$119.8 million at June 30, 2022. The endowment funds provide annual endowment spending allocations available to support the University's mission. For fiscal years 2022 and 2021, the endowment spending allocations, including support for endowed faculty positions and student scholarships, totaled \$4.8 million and \$4.4 million, respectively.

Using the Financial Statements

The University's financial report includes five financial statements: the statement of net position; the statement of revenues, expenses and changes in net position, the statement of cash flows, the statement of fiduciary net position and statement of changes in fiduciary net position. These financial statements and accompanying footnotes are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a comprehensive, entity-wide basis to focus on the University as a whole. The University adopted GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021, which requires the University to report fiduciary activities in the fiduciary fund financial statements of the basic financial statements. The fiduciary activity is excluded from the condensed financial statements discussed below. In 2022, the University adopted GASB Statement No. 87, *Leases*. Under this statement, a lessee is required to recognize an intangible right-to-use asset and corresponding lease liability. Lessors are required to recognize a lease receivable and a corresponding deferred inflow of resources. Although the adoption of this statement did not result in a change in net position as of July 1, 2021, certain balances within the management's discussion and analysis have been restated on a proforma basis to reflect the adoption of this statement.

The University is a component unit of the Commonwealth of Kentucky. The financial statements of the University include the University and its blended component unit, the Northern Kentucky University Research Foundation, Inc. (Research Foundation). Financial statements for the University's discretely presented component unit, Northern Kentucky University Foundation, Inc. (Foundation), have also been included in accordance with GASB pronouncements. Financial statements presented for the Foundation consist of the consolidated statement of financial position and the consolidated statement of activities prepared in accordance with Financial Accounting Standards Board (FASB) pronouncements.

Statement of Net Position

The statement of net position reflects the financial position of the University as of June 30, 2022, with comparative information as of June 30, 2021, and includes all assets, deferred outflows and inflows of resources, liabilities and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Net position, consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one indicator of the current financial condition of the University. Assets, liabilities, deferred inflows and outflows of resources are generally measured using current values. A major exception is capital assets, which are stated at historical cost, less accumulated depreciation.

A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2022 and 2021 follows:

Condensed Statements of Net Position (in thousands)

	<u>2022</u>	<u>Restated 2021</u>
ASSETS		
Current assets	\$ 130,851	\$ 134,753
Capital assets, net	365,610	370,714
Noncurrent assets	<u>66,486</u>	<u>48,847</u>
Total assets	<u>562,947</u>	<u>554,314</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>2,476</u>	<u>242,632</u>
LIABILITIES		
Current liabilities	50,674	48,865
Noncurrent liabilities	<u>312,000</u>	<u>732,778</u>
Total liabilities	<u>362,674</u>	<u>781,643</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>13,714</u>	<u>21,106</u>
NET POSITION		
Net investment in capital assets	244,731	252,560
Restricted		
Nonexpendable	7,616	7,616
Expendable	9,548	9,558
Unrestricted	<u>(72,860)</u>	<u>(275,537)</u>
Total net position	<u>\$ 189,035</u>	<u>\$ (5,803)</u>

Assets

The University's assets increased by \$8.6 million, or 1.6 percent, for the year ended June 30, 2022, and now total \$562.9 million. Current assets decreased by \$3.9 million for the year ended June 30, 2022. The KERS cessation included the prepayment of future pension service credits for Tier 1 and Tier 2 employees in the amount of \$26.7 million. The unamortized balance of prepaid pension service credits at June 30, 2022 of \$22.5 million was partially offset by a \$5.1 million decrease in net capital assets and a \$1.5 million decrease in investments. As a result, noncurrent assets increased by \$17.6 million for the year ended June 30, 2022.

Deferred Outflows of Resources

Deferred outflows of resources totaled \$2.5 million and \$242.6 million as of June 30, 2022 and 2021, respectively. Deferred outflows of resources related to the University's defined benefit pension and OPEB plans decreased from \$240.4 million as of June 30, 2021, to \$0.7 million as of June 30, 2022, as a result of the University's withdrawal from the KERS non-hazardous plan. The deferred outflows of resources that represent the unamortized difference between the reacquisition price and the net carrying amount of refunded debt totaled \$1.8 million and \$2.2 million as of June 30, 2022 and 2021, respectively.

Liabilities

The University's liabilities decreased by \$419.0 million, or 53.6 percent, for the year ended June 30, 2022, primarily as a result of the University's exit from the KERS nonhazardous plan. Current liabilities increased \$1.8 million due largely to an increase in accounts payable and accrued liabilities as compared to 2021. Noncurrent liabilities decreased by \$420.8 million for the year as a result of a reduction of \$403.9 million in the University's net pension and OPEB liabilities, a \$15.4 million decrease in long-term debt and a \$1.3 million reduction in other long-term liabilities.

Deferred Inflows of Resources

The University's deferred inflows of resources totaled \$13.7 million and \$21.1 million as of June 30, 2022 and 2021, respectively. Deferred inflows of resources related to the University's defined benefit pension plan totaled \$0.7 million and \$8.3 million as of June 30, 2022 and 2021, respectively. The reduction of \$7.5 million is a result of the University's exit from the KERS nonhazardous plan.

During fiscal year 2022, the University adopted GASB Statement No. 87, *Leases*. As a result, the University was required to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources based on the payment provisions of the contract. Lease inflows totaled \$10.8 million and \$11.9 million as of June 30, 2022 and 2021, respectively.

Net Position

Net position represents the difference between the University's total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources. The University's net position totaled \$189.0 million and \$(5.8) million as of June 30, 2022 and 2021, respectively. The University's exit from the KERS nonhazardous plan resulted in a positive impact of \$218.6 million on net position. The University's unrestricted net position totaled \$(72.9) million and \$(275.5) million as of June 30, 2022 and 2021, respectively. Excluding the positive impact of the pension cessation, the University's unrestricted net position decreased by \$16.0 million for the year ended June 30, 2022.

Net invested in capital assets totaled \$244.7 million and \$252.6 million at June 30, 2022 and 2021, respectively. At June 30, 2022, the University's restricted nonexpendable net position remained unchanged at \$7.6 million. The nonexpendable funds consist of endowments funded through the Commonwealth's Regional University Excellence Trust Fund. Restricted expendable net position decreased by \$.01 million.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB requires state appropriations and nonexchange grants and contracts to be classified as nonoperating revenues. Accordingly, the University will generate an operating loss prior to the addition of nonoperating revenues.

This statement is prepared on the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

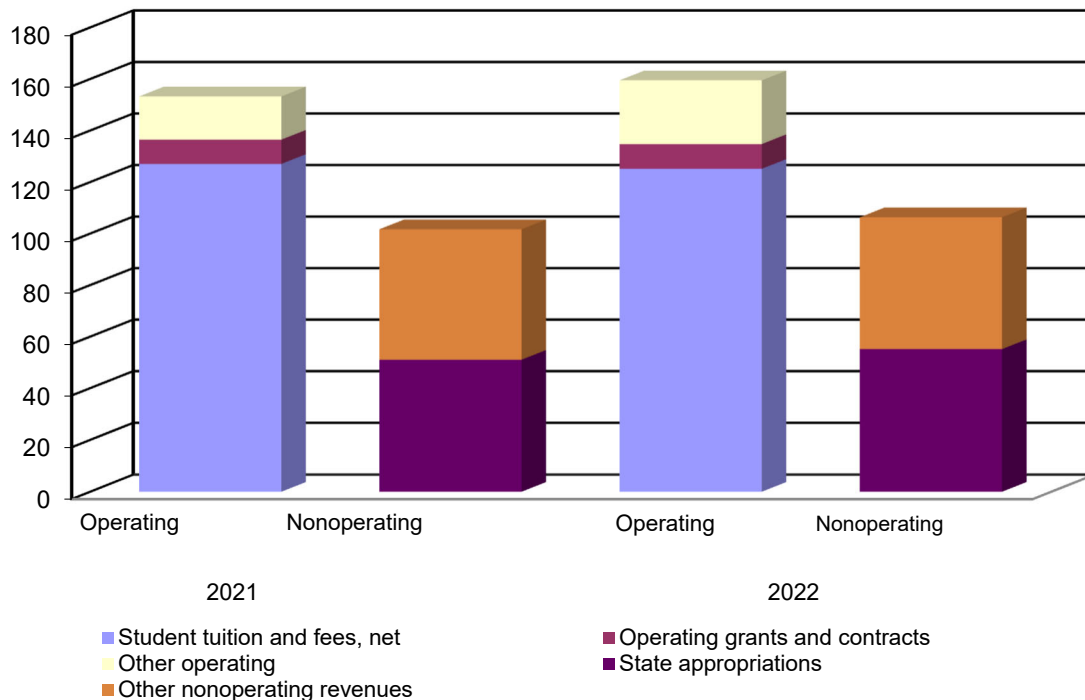
The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life. A summarized comparison of the University's revenues, expenses and changes in net position for years ended June 30, 2022 and 2021 follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Student tuition and fees, net	\$ 125,129	\$ 127,035
Grants and contracts	9,619	9,428
Sales and services of educational departments	4,147	3,036
Auxiliary enterprises	11,130	6,909
Other operating revenues	9,464	6,841
Total operating revenues	<u>159,489</u>	<u>153,249</u>
OPERATING EXPENSES		
Educational and general	250,245	242,517
Depreciation and amortization expense	16,294	16,513
Auxiliary enterprises (incl. depreciation and amortization)	11,995	10,147
Other expenses	27	30
Total operating expenses	<u>278,561</u>	<u>269,207</u>
Net loss from operations	<u>(119,072)</u>	<u>(115,958)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	55,150	51,040
Gifts, grants and contracts	48,702	46,696
Investment income	2,471	3,941
Interest on capital asset-related debt	(9,599)	(5,531)
Other nonoperating expenses	(2,035)	(1,837)
Net nonoperating revenues	<u>94,689</u>	<u>94,309</u>
Loss before other revenues, expenses, gains or losses	<u>(24,383)</u>	<u>(21,649)</u>
Capital grants and gifts	654	442
Total other revenues	<u>654</u>	<u>442</u>
Special item - KERS-NH cessation	218,567	-
Increase (decrease) in net position	194,838	(21,207)
Net position-beginning of year	<u>(5,803)</u>	<u>15,404</u>
Net position-end of year	<u>\$ 189,035</u>	<u>\$ (5,803)</u>

Operating and Nonoperating Revenues

The following chart illustrates the University's revenues by source (both operating and nonoperating), which were used to fund its operating activities for fiscal years 2021 and 2022. Significant recurring sources of revenues, including state appropriations and nonexchange grants and contracts, are considered nonoperating revenues as defined by GASB. These revenues support operating expenses; therefore, they are included in the graph of revenues by source (presented in millions).



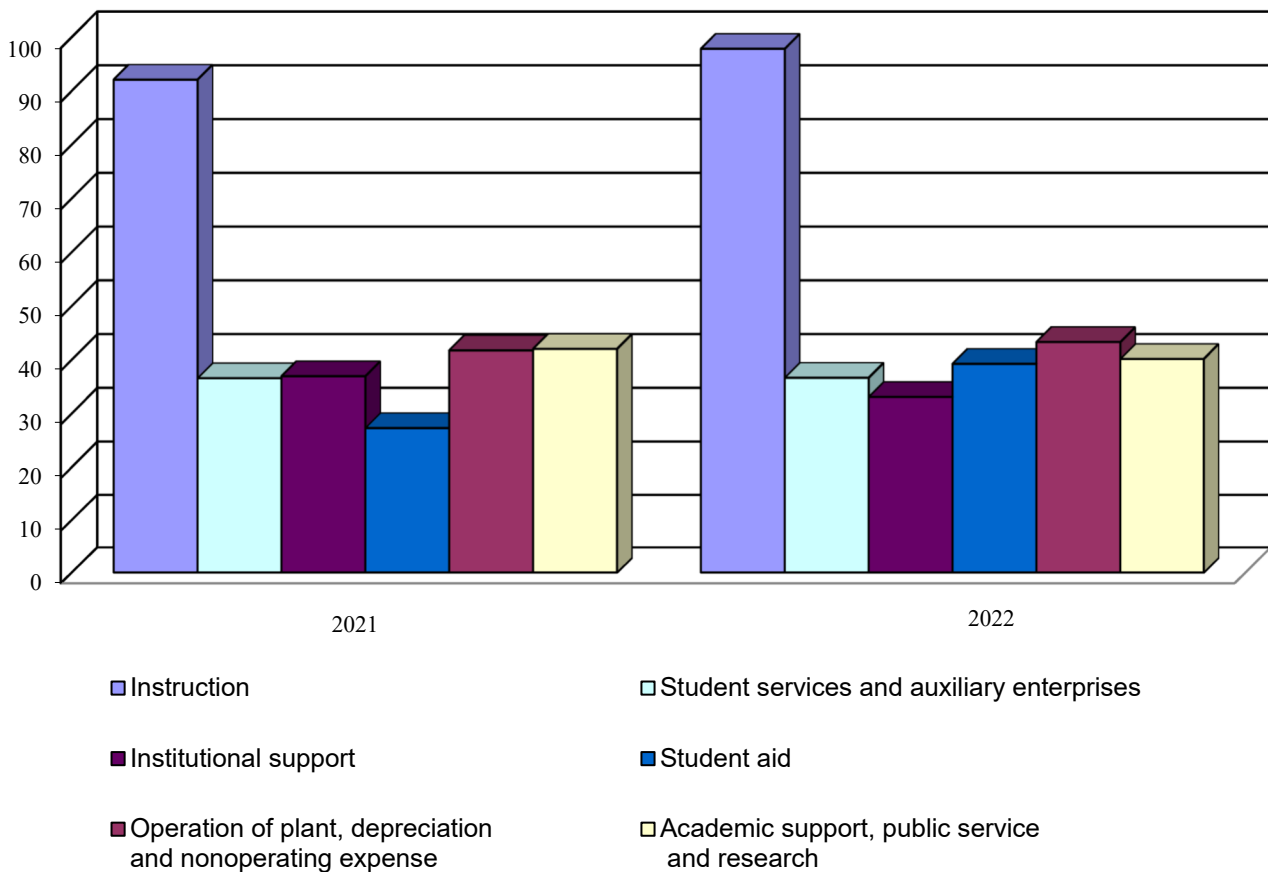
The University's operating and nonoperating revenues totaled \$265.8 million for the year ended June 30, 2022, an increase of \$10.9 million compared to 2021. Operating revenues totaled \$159.5 million, or 60.0 percent of revenues, while nonoperating revenues totaled \$106.3 million, or 40.0 percent of revenues, for the year. The most significant sources of revenue for the University are net student tuition and fees (47.1 percent) and state appropriations (20.7 percent).

Operating revenues increased by \$6.2 million for the year ended June 30, 2022, driven primarily by an increase in housing and food service revenue. Tuition revenues net of scholarship allowances were down \$1.9 million for the year. Auxiliary revenues increased by \$4.2 million compared to 2021. As the pandemic continued through 2022, the University offset some of the operating revenue losses through a federal grant funded by the American Rescue Plan Act of 2021 (the "ARP"). For the year ended June 30, 2022, the University recovered lost tuition and fees of \$5.7 million and auxiliary enterprises lost revenue totaling \$2.5 million through the ARP grant.

Nonoperating federal grant revenue increased \$4.3 million for the year ended June 30, 2022 primarily due to \$23.3 million in ARP nonoperating grant revenue recognized in fiscal year 2022. Through the federal ARP grant, the University received \$11.9 million to fund emergency aid grants to students and an additional \$11.4 million to fund institutional expenses and lost revenues directly related to the pandemic. State appropriations increased \$4.1 million compared to fiscal year 2021 contributing to the \$4.6 million increase in nonoperating revenue for the year.

Operating and Nonoperating Expenses

The following chart illustrates the University's expenses by function (both operating and nonoperating) for fiscal years 2021 and 2022 (presented in millions).



Operating and nonoperating expenses increased by \$13.6 million, or 4.9 percent, to a total of \$290.2 million for the year ended June 30, 2022. Instruction expenses increased by \$5.7 million due primarily to a \$2.4 million increase in salaries and benefits and a \$1.2 million increase in contracted services associated with the University's accelerated online courses. Institutional support expenses decreased by \$3.8 million, primarily due to a decrease of \$6.3 million in salaries and benefit expenses offset by an increase in institutional support operating expenses.

Tuition and fee scholarship allowances and housing scholarship allowances decreased by \$1.8 million and student aid expenses increased by \$12.0 million resulting in an overall increase in student aid of \$10.2 million. The increase in student aid expenses was driven by a \$5.4 million increase in emergency student aid grants funded by the ARP compared to those funded by the federal CARES Act and CRRSAA in 2021. Student grants funded by the CARES Act and CRRSAA totaled \$6.5 million in fiscal year 2021 compared to ARP funded awards of \$11.9 million in fiscal year 2022. Additionally, institutionally funded scholarships increased by \$5.5 million for the year.

Statement of Cash Flows

Another important factor to consider when evaluating financial viability is the University's ability to meet financial obligations as they become due. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing, and investing activities. A comparative summary of the University's statements of cash flows for the years ended June 30, 2022 and 2021 follows:

Condensed Statements of Cash Flows (in thousands)

	<u>2022</u>	<u>2021</u>
Net cash provided (used) by:		
Operating activities	\$ (94,946)	\$ (81,633)
Noncapital financing activities	115,200	95,701
Capital and related financing activities	(31,272)	(33,415)
Investing activities	<u>3,940</u>	<u>750</u>
Net decrease in cash and cash equivalents	(7,078)	(18,597)
Cash and cash equivalents, beginning of year	<u>137,180</u>	<u>155,777</u>
Cash and cash equivalents, end of year	<u>\$130,102</u>	<u>\$137,180</u>

The University's cash and cash equivalents decreased by \$7.1 million in 2022. Major sources of funds generated by operating activities in 2022 included student tuition and fees (\$122.8 million), grants and contracts (\$10.2 million) and auxiliary enterprises (\$11.6 million). The largest cash payments for operating activities were for salaries and benefits (\$149.8 million), vendor payments (\$62.6 million) and student financial aid (\$39.7 million). Net cash used by operating activities increased by \$13.3 million for the year primarily due to increases in payments for student financial aid (\$12.4 million) and payments to suppliers (\$8.6 million), which were partially offset by a \$0.9 million decrease in payments for salaries and benefits. A decrease in receipts from tuition and fees (\$2.6 million) also contributed to the increase in net cash used by operating activities for the year.

Net cash provided by noncapital financing activities increased by \$19.5 million for the year ended June 30, 2022 resulting primarily from a refund from KERS of \$21.9 million due to an initial overpayment associated with the University's exit from the KERS nonhazardous plan. The \$31.3 million use of net cash used by capital financing activities was driven by the \$18.7 million in purchases of capital assets funded primarily with bond proceeds issued in 2020 and related to finance student housing renovations and the construction of a new student residence hall. The University's principal and interest payments on capital debt totaled \$14.0 million and \$13.1 million for fiscal years 2022 and 2021, respectively.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2022, capital assets, net of accumulated depreciation, totaled \$365.6 million, or 64.9 percent of total assets. Capital assets as of June 30, 2022 and 2021, and significant changes in capital assets during the year ended June 30, 2022 are as follows (in thousands):

	Balance 6/30/2021	Net Additions (Deletions)	Balance 6/30/2022
Land	\$ 9,375	\$ -	\$ 9,375
Land Improvements	42,728	736	43,464
Buildings	538,411	27,499	565,910
Equipment	80,843	(6,417)	74,426
Library Books	9,445	401	9,846
Construction in Process	21,769	(19,646)	2,123
Accumulated Depreciation	(331,857)	(7,677)	(339,534)
	<u>\$ 370,714</u>	<u>\$ (5,104)</u>	<u>\$ 365,610</u>

Net capital assets decreased by \$5.1 million for the year ended June 30, 2022. This decrease is the net result of a \$2.6 million increase in capitalized construction project costs, land improvements, equipment and other capital assets, less \$7.7 million in depreciation.

Debt

The following is a summary of the University's outstanding capital debt summarized by trust indenture and type as of June 30, 2022 and 2021 (in thousands):

	2022	2021
General Receipts Bonds, tax exempt, net of discounts and premiums	\$ 121,669	\$ 131,349
General Receipts Bonds, taxable	199,790	205,450
Lease liabilities	897	1,274
Other financing arrangements	3,019	3,387
	<u>\$ 325,375</u>	<u>\$ 341,460</u>

Debt decreased by \$16.1 million for the year ended June 30, 2022 resulting from principal payments of \$21.6 million on bonds, notes, leases and other financing obligations, a \$.5 million growth in net discounts and premiums and the issuance of \$5 million of General Receipts 2021 Series B refunding bonds. On October 21, 2021, \$5 million in General Receipts Refunding Bonds were issued to refund outstanding 2011 Series A bonds resulting in a net present value savings of \$0.7 million.

ECONOMIC FACTORS IMPACTING FUTURE PERIODS

The following are known facts and circumstances that may impact the future financial viability of the University:

- NKU's fall 2021 total enrollment of 15,995 was a decrease of 1.3% from the prior year and was the first drop in total enrollment since fall 2017. However, during that five-year span, undergraduate enrollments had decreased 1,584 students (12.6%), with new undergraduate student enrollments decreasing by -553 (26.9%) during that same period. Supplementing significant drops in the total enrollment was the significant growth of graduate headcount. In fall 2021, 4,600 students enrolled at the graduate-level accounting for 28.8% of total enrollment. Growth in graduate enrollment can be attributed to the spike in accelerated online offerings topping 3,731 students. It should be noted that COVID significantly impacted our predicted enrollment for fall 2021 and also caused our retention rate to stall in the fall of 2021 (However, an upward trajectory in retention rate resumed for fall 2022.)
- National Higher Education enrollment in public 4-year institutions continues to decline, especially amongst undergraduate programs. For example, according to the National Student Clearinghouse Research Center, undergraduate enrollments in Spring 2022 declined 3.9% from the prior Spring for undergraduate programs at public 4-years institutions.
- The Kentucky Council on Postsecondary Education (CPE) established a 3% tuition cap for the 2-year period covering 2021-2023. NKU proposed, and CPE subsequently approved, raising tuition 1% for 2021-2022 and 2% for the 2022-2023 years. We expect future tuition caps to be similarly modest as CPE works to keep access to postsecondary education within reach for all Kentuckians.
- The 2022-2024 biennium budget approved by the Kentucky General Assembly contained generous support for postsecondary education as a whole. \$683.5M in asset preservation (facilities) funding was authorized with \$47,794,000 allocated to NKU (\$23,397,000 each year). The allocation requires a 15% institutional match (\$7M), which NKU plans to fund from recurring deferred maintenance and institutional bond savings. In addition, NKU was allocated \$84,900,000 in 2023-2024 to expand the Herrmann Science Center for research labs. Performance Funding for the 2022-2023 year increased \$8,460,800 to a new high of \$11,363,500 to support general operations. Due to NKU's strong commitment to student success we exceeded sector averages in 8 of 11 categories. To maintain and enhance this level of funding NKU needs to continue efforts with student success and progression such as those associated with our Success by Design strategic framework.
- The University's exit from the Kentucky Employees Retirement System (KERS) non-hazardous plan permitted by the *Pension Cessation Act* was effective June 30, 2021. After final actuarial calculations were received and payments finalized in fiscal year 2022, no future obligations will be required from the University to KERS for the non-hazardous plan. Without this exit, there was considerable likelihood for a significant potential increase in the University's future obligations to KERS. Exit from the Pension System adds a level of predictability with regards to employer retirement contributions into the future. This future certainty of a significant expenditure item will aid the University in managing our expenses in a prudent fashion going forward.
- Management continues efforts to diversify revenue sources, contain costs, and redirect resources to core mission priorities. Recent activities have resulted in investment in more market competitive staff salaries and in admissions/recruitment and marketing resources.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Net Position
As of June 30, 2022
(in thousands)

ASSETS

Current Assets	
Cash and cash equivalents	\$ 111,260
Notes, loans and accounts receivable, net	14,005
Leases receivable	922
Other current assets	4,664
Total current assets	<u>130,851</u>
Noncurrent Assets	
Cash and cash equivalents	18,842
Investments	14,420
Notes, loans and accounts receivable, net	1,145
Leases receivable	9,968
Right to use lease asset, net	872
Pension prepaid future service	20,865
OPEB asset	41
Capital assets, net	365,610
Other noncurrent assets	333
Total noncurrent assets	<u>432,096</u>
Total assets	<u>562,947</u>

DEFERRED OUTFLOWS OF RESOURCES

Bond refunding loss	1,826
Pension and OPEB	650
Total deferred outflows of resources	<u>2,476</u>

LIABILITIES

Current Liabilities	
Accounts payable and accrued liabilities	23,523
Unearned revenue	11,121
Lease liabilities - current portion	221
Long-term debt - current portion	15,429
Other long-term liabilities - current portion	380
Total current liabilities	<u>50,674</u>
Noncurrent Liabilities	
Deposits	40
Lease liabilities	676
Long-term debt	309,049
Other long-term liabilities	634
Net pension liability	1,601
Total noncurrent liabilities	<u>312,000</u>
Total liabilities	<u>362,674</u>

DEFERRED INFLOWS OF RESOURCES

Service agreements	2,176
Lease inflows	10,823
Pension and OPEB	715
Total deferred inflows of resources	<u>13,714</u>

NET POSITION

Net investment in capital assets	244,731
Restricted	
Nonexpendable	7,616
Expendable	9,548
Unrestricted	(72,860)
Total net position	<u>\$ 189,035</u>

See accompanying notes to the financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Financial Position
As of June 30, 2022
(in thousands)

ASSETS

Cash and cash equivalents	\$ 12,861
Loans and accounts receivable, net	630
Contributions receivable, net	6,970
Prepaid expenses and deferred charges	210
Investments	124,858
Land and land improvements, net	323
Total assets	\$ 145,852

LIABILITIES AND NET ASSETS

Accounts payable	\$ 324
Agency funds	11
Deferred income	939
Funds held in trust for Northern Kentucky University	14,420
Total liabilities	15,694

NET ASSETS

Without Donor Restrictions	
For current operations	3,039
Amounts functioning as endowment funds	3,147
Invested in land and land improvements	323
Total without donor restrictions	6,509
With Donor Restrictions	
Unexpended funds received for restricted purposes	13,370
Contributions receivable	6,970
Loan funds	1,119
Endowment funds	102,190
Total with donor restrictions	123,649
Total net assets	130,158
Total liabilities and net assets	\$ 145,852

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022
(in thousands)

OPERATING REVENUES

Student tuition and fees (net of scholarship allowances of \$39,456)	\$ 125,129
Federal grants and contracts	3,068
State and local grants and contracts	3,424
Nongovernmental grants and contracts	3,127
Sales and services of educational departments	4,147
Auxiliary enterprises	
Housing and food service (net of scholarship allowances of \$879)	7,983
Other auxiliaries	3,147
Other operating revenues	<u>9,464</u>
Total operating revenues	<u>159,489</u>

OPERATING EXPENSES

Educational and general	
Instruction	97,833
Research	2,978
Public service	10,807
Libraries	5,529
Academic support	20,819
Student services	24,807
Institutional support	33,074
Operation and maintenance of plant	15,167
Depreciation and amortization	16,294
Student aid	39,231
Auxiliary enterprises	
Housing and food service	6,490
Other auxiliaries	954
Auxiliary depreciation and amortization	4,551
Other expenses	<u>27</u>
Total operating expenses	<u>278,561</u>
Net loss from operations	<u>(119,072)</u>

NONOPERATING REVENUES (EXPENSES)

State appropriations	55,150
Federal grants and contracts	36,311
State and local grants and contracts	12,292
Private gifts and grants	99
Investment income (loss)	2,471
Interest on capital asset and lease asset - related debt	(9,599)
Other nonoperating expenses	<u>(2,035)</u>
Net nonoperating revenues	<u>94,689</u>
Loss before other revenues, expenses, gains or losses	<u>(24,383)</u>
Capital grants and gifts	<u>654</u>
Total other revenues	<u>654</u>
Special item - KERS-NH cessation	<u>218,567</u>
Increase in net position	<u>194,838</u>

NET POSITION-BEGINNING OF YEAR	<u>(5,803)</u>
NET POSITION-END OF YEAR	<u>\$ 189,035</u>

See accompanying notes to the financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended June 30, 2022
(in thousands)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Gifts and bequests	\$ -	\$ 7,151	\$ 7,151
State grants	-	22	22
Rental income	145	-	145
Investment return	(207)	(5,996)	(6,203)
Other revenue	126	1,066	1,192
Total revenues and gains	<u>64</u>	<u>2,243</u>	<u>2,307</u>
Net assets released from restrictions	7,613	(7,613)	-
Total revenues, gains and other support	<u>7,677</u>	<u>(5,370)</u>	<u>2,307</u>
EXPENSES AND LOSSES			
Program expenses			
Instruction	731	-	731
Research	75	-	75
Public service	243	-	243
Libraries	11	-	11
Academic support	939	-	939
Student services	988	-	988
Institutional support	990	-	990
University facilities and equipment acquisition	167	-	167
Student financial aid	3,020	-	3,020
Other program expenses and losses	-	(90)	(90)
Total program expenses	<u>7,164</u>	<u>(90)</u>	<u>7,074</u>
Support expenses			
Management and general	445	-	445
Fund raising support	208	-	208
Total support expenses	<u>653</u>	<u>-</u>	<u>653</u>
Total expenses and losses	<u>7,817</u>	<u>(90)</u>	<u>7,727</u>
Increase (decrease) in net assets	(140)	(5,280)	(5,420)
Net assets-beginning of year	6,649	128,929	135,578
Net assets-end of year	<u>\$ 6,509</u>	<u>\$ 123,649</u>	<u>\$ 130,158</u>

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Cash Flows
For the Year Ended June 30, 2022
(in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 122,757
Grants and contracts	10,193
Payments to suppliers	(62,647)
Payments for salaries and benefits	(149,833)
Payments for student financial aid	(39,713)
Loans issued to students	(116)
Collection of loans to students	91
Auxiliary enterprise receipts:	
Housing operations	8,675
Other auxiliaries	2,952
Sales and service of educational departments	4,197
Other receipts (payments)	8,498
Net cash used by operating activities	<u>(94,946)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	55,150
Gifts and grants for other than capital purposes	48,500
Agency and loan program receipts	96,476
Agency and loan program disbursements	(96,347)
KERS cessation refund	21,916
Principal paid on noncapital debt	(5,660)
Interest paid on noncapital debt	(4,835)
Net cash provided by noncapital financing activities	<u>115,200</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	5,483
Capital grants, gifts, and advances received	611
Proceeds from sale of capital assets	2
Purchases of capital assets	(18,710)
Principal paid on capital debt	(9,273)
Bond refund escrow payment	(5,330)
Interest paid on capital debt	(4,704)
Principal payments received on leases receivable	850
Interest payments received on leases receivable	117
Principal paid on leases payable	(217)
Interest paid on leases payable	(2)
Bond issuance costs	(99)
Net cash used by capital and related financing activities	<u>(31,272)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	3,400
Purchase of investments	(711)
Interest on investments	1,251
Net cash provided by investing activities	<u>3,940</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	
	(7,078)
Cash and cash equivalents-beginning of year	<u>137,180</u>
Cash and cash equivalents-end of year	<u>\$ 130,102</u>

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Cash Flows
For the Year Ended June 30, 2022
(in thousands)

**RECONCILIATION OF NET OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES:**

Net loss from operations	\$ (119,072)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	20,845
Deferred inflows of resources	669
Deferred outflows of resources	161
Reduction of prepaid pension and OPEB	4,198
Gain on write-off of sick time accrual	(1,257)
Changes in assets and liabilities:	
Receivables, net	(1,097)
Other assets	30
Accounts payable, accrued liabilities and deposits	2,650
Unearned revenue	557
Pension and OPEB	(2,483)
Long-term liabilities	(147)
Net cash used by operating activities	<u><u>\$ (94,946)</u></u>

SUPPLEMENTAL CASH FLOWS INFORMATION

Gifts of capital assets and trade-in credits	\$ 116
Capital asset acquisitions in accounts payable	1,769
Unrealized gains and losses on investments	(4,915)
Deferred outflow converted to prepaid from KERS cessation	26,717
Derecognition of pension/OPEB liability and related deferred outflows and deferred inflows from KERS cessation	204,848

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Fiduciary Net Position
Custodial Funds
As of June 30, 2022
(in thousands)

ASSETS	
Cash and cash equivalents	\$ 15,484
Total assets	15,484
 LIABILITIES	
Accounts payable and other liabilities	45
Total liabilities	45
 NET POSITION	
Restricted for:	
Individuals, organizations and other governments	15,439
Total net position	\$ 15,439

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022
(in thousands)

ADDITIONS	
In-lieu fees	\$ 4,674
Investment income	33
Total additions	4,707
 DEDUCTIONS	
Contract expense	1,187
Administrative fees	280
Total deductions	1,467
Net increase in fiduciary net position	3,240
Net position - beginning of year	12,199
Net position - end of year	\$ 15,439

See accompanying notes to the financial statements

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Organization and Summary of Significant Accounting Policies

a. Reporting Entity

Northern Kentucky University (the University) is a component unit of the Commonwealth of Kentucky (Commonwealth) and is included in the general-purpose financial statements of the Commonwealth. The financial statements of the University include the operations of the Northern Kentucky University Research Foundation (Research Foundation), which is a legally separate, tax-exempt organization supporting the University. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, the Research Foundation is reported as a blended component unit of the University and condensed financial information is provided in Note 14.

The Northern Kentucky University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization supporting the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The Foundation's Board of Directors is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The accompanying financial statements do not include the financial position or operating results of the Chase College Foundation, Inc. This foundation is a separately incorporated not-for-profit entity organized for the purpose of promoting the educational mission of the University's Salmon P. Chase College of Law. Although this entity benefits the University's Salmon P. Chase College of Law, it is governed by an independent Board of Directors and is not controlled by the University.

b. Basis of Presentation

The accompanying financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. In accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35) and subsequent standards issued by GASB, the University has elected to report as an entity engaged in business-type activities (BTA). BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services. GASB 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets:** Capital and lease assets, net of accumulated depreciation and amortization and outstanding principal balances of debt and lease liabilities attributable to the acquisition, construction or improvement of those assets.
- **Restricted:**
 - Nonexpendable* – Net position subject to externally imposed stipulations that they be maintained permanently by the University.
 - Expendable* – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Expendable net position consists primarily of accumulated endowment earnings.
- **Unrestricted:** Net position whose use by the University is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

The financial statement presentation required by GASB is intended to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

c. Accrual Basis

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

d. Cash and Cash Equivalents

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits, certificates of deposit and temporary investments in marketable debt securities with original maturities less than three months. Funds held by the Commonwealth of Kentucky are also considered cash equivalents.

e. Notes, Loans and Accounts Receivable

This classification consists of tuition and fee charges to students, charges for auxiliary enterprise services provided to students, faculty and staff, loans to students and amounts due from sponsors for reimbursement of expenses made pursuant to contracts and grants. Accounts receivable are recorded net of estimated uncollectible amounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

f. Capital and Lease Assets

Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Equipment with a unit cost of \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made before or at the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 40 years for land improvements, 10 – 40 years for buildings and fixed equipment, 10 years for library books and 3 – 10 years for equipment. The University capitalizes, but does not depreciate, works of art and historical treasures that are held for exhibition, education, research and public service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The University evaluates capital and lease assets for impairment whenever events or circumstances indicate significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, an impairment loss would be recorded. No impairment losses were recognized during the year ended June 30, 2022.

g. Compensated absences

University policies permit employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized except for employees currently eligible to retire from the Kentucky Employers Retirement System (KERS). A liability is accrued equal to the estimated amount to be paid to the Kentucky Public Pensions Authority (KPPA) for sick leave converted to time worked at retirement. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

h. Investments

Investments are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of interest and dividend income, realized gains and losses and the net change for the year in the fair value of investments carried at fair value.

i. Unearned Revenue

Unearned revenue includes amounts received for tuition and other student fees prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grants and contracts sponsors that have not yet been earned. Unearned revenue is recognized as services are rendered.

j. Cost-Sharing Defined Benefit Pension Plan

The University participates in a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pensions Authority, (KPPA). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k. Cost-Sharing Defined Benefit Other Postemployment Benefit Plan

The University participates in a cost-sharing multiple-employer defined benefit other postemployment benefit plan, also administered by KPPA, (the OPEB Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deduction from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

l. Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a loss in net position by the University that is applicable to a future reporting period. Deferred outflows of resources are reported in the statement of net position, but are not recognized in the financial statements as expense until in the related period. Deferred outflows of resources include \$1,826,000 of losses on bond refunding for the year ended June 30, 2022. The remaining balance of deferred outflows for the year ended June 30, 2022 consists of the KERS pension and OPEB related unamortized balances.

A deferred inflow of resources is a gain in net position by the University that is applicable to a future reporting period. Deferred inflows of resources are reported in the statement of net position but are not recognized in the financial statements as revenue until in the related period. The agreement between the University and the University's food service providers resulted in a deferred inflow of resources of \$2,176,000 at June 30, 2022. The deferred inflows of resources related to this agreement are recognized evenly over the life of the contract. Lease agreements between the University and third-party entities for rental space resulted in a deferred inflow of resources of \$10,823,000 at June 30, 2022. The remaining deferred inflows of resources for the year ended June 30, 2022 consist of the KERS pension and OPEB related unamortized balances.

See Note 4 for details regarding deferred inflows of resources related to the University's lessor agreements.

See Notes 8 and 9 for details of pension and OPEB related deferred outflows of resources and deferred inflows of resources.

m. Scholarship Allowances

Student tuition and fee revenues and other student related revenues are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the differences between the stated charge for services provided by the University, and the amounts that are paid by the students or third parties making payments on a student's behalf. To the extent that revenues from such programs are used to satisfy tuition and fees, and other student charges, the University has recorded a scholarship allowance.

n. Income Taxes

The University is an agency and instrumentality of the Commonwealth, pursuant to Kentucky Revised Statutes sections 164.290 through 164.475. Accordingly, the University is generally exempt from federal income taxes as an organization described in Section 115 of the Internal Revenue Code of 1986, as amended. The Research Foundation has received a determination from the Internal Revenue Service granting exemption from federal income taxation pursuant to the provisions of Internal Revenue Code section 501(c)(3).

o. Restricted Asset Spending Policy

The University's policy states that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

p. Operating Activities

The University defines operating activities, as reported on the statement of revenues, expenses and changes in net position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, gifts, and investment income, are recorded as nonoperating revenues, in accordance with GASB 35. In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and related GASB implementation guidance, Pell Grants, College Access Program (CAP) Grants and Kentucky Educational Excellence Scholarship (KEES) are considered nonexchange transactions and are recorded as nonoperating revenues in the accompanying financial statements.

q. COVID-19 Relief Funding

Congress passed the *American Rescue Plan Act of 2021* (ARP) in early March 2021. The University was awarded an ARP grant for emergency student aid of \$11.9 million and an ARP grant for \$11.4 million to fund institutional expenses and lost revenues directly related to the pandemic. As of June 30, 2022, the University had expended all of the \$11.9 million in emergency student aid and \$11.2 million of institutional funds received through the ARP grant.

The grants discussed above are recognized in the nonoperating federal grants and contracts caption on the statement of revenues, expenses, and changes in net position.

r. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

s. Component Unit Disclosure

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Complete financial statements for the Foundation can be obtained from the Northern Kentucky University Foundation, Inc. at Lucas Administrative Center Room 820, Nunn Drive, Highland Heights, KY 41099.

t. Related Party Transactions

During the year ended June 30, 2022, the Foundation made payments on behalf of the University of \$303,000 for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. As of June 30, 2022, there were no payables to the University for such costs.

In support of University programs, the Foundation incurred program expenses of \$7,074,000 for 2022, which consisted of payments on behalf of the University of \$4,921,000 for 2022; and amounts transferred to the University for restricted purposes of \$2,153,000, for 2022.

u. Change in Accounting Principle

During 2022, the University adopted GASB Statement No. 87, *Leases*. The statement establishes a single approach for lease accounting based on the principle that all leases are a means for financing the use of an underlying asset. The new guidance applies to all leases with terms greater than 12 months, including any options to extend. Under this statement, a lessee is required to recognize an intangible right-to-use asset and corresponding lease liability. Lessors are required to record a lease receivable and a corresponding deferred inflow of resources. Adoption of this statement did not result in a change in net position as of July 1, 2021. As of July 1, 2021, the lease assets and liabilities were \$1,274,000 due to the implementation of GASB 87. In addition, leases receivable were \$11,882,000 as of July 1, 2021 with an offsetting deferred inflows of resources for the same amount.

v. Special Item – KERS Cessation

Effective July 1, 2021, the University ceased participation in the KERS nonhazardous pension plan. The cessation cost was paid via the 2021 Taxable Series A bonds issued in April 2021. As a result of the cessation, the University removed the nonhazardous outflows, inflows and liabilities from the Statement of Net Position. The nonhazardous sick leave liability, reported under the long-term liabilities captions, was also removed. The net effect of removing these items from the Statement of Net Position resulted in reporting an increase of \$218,567,000 as a special item on the Statement of Revenues, Expenses and Changes in Net Position. The following table provides a schedule of amounts comprising this special item:

Amounts Derecognized:	
KERS-NH pension/OPEB liability	\$ 403,221
KERS-NH Deferred Inflows - pension/OPEB	8,069
KERS-NH Deferred Outflows - pension/OPEB	(35,634)
KERS-NH sick time liabilities and other	1,234
Total Amounts Derecognized	<u>376,890</u>
Payments to KERS:	
FY21 cessation payment for KERS-NH pension/OPEB	204,000
FY22 refund true-up received from KERS based on final actuarial calculation	(18,960)
Total net payments for cessation of KERS-NH pension/OPEB	<u>185,040</u>
Cessation payment for NH pension/OPEB allocated to future service (see Note 8)	26,717
Total cessation payments for NH pension/OPEB allocated to prior service	<u>158,323</u>
Total Amounts Derecognized	376,890
Total cessation payments for NH pension/OPEB allocated to prior service	<u>158,323</u>
Gain recognized during year ended June 30, 2022	<u>\$ 218,567</u>

w. Recent Accounting Pronouncements

In May 2020, the GASB approved Statement No. 96, *Subscription-based Information Technology Arrangements*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA results in an intangible asset and corresponding subscription liability. The statement also provides the capitalization criteria for outlays other than subscription payments including implementation costs of a SBITA. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. The University is currently evaluating the effects of this statement on its financial statements.

Note 2 – Cash, Cash Equivalents and Investments

At June 30, 2022, petty cash funds totaled \$56,000 and the carrying amount of the deposits was \$130,046,000 with a corresponding total bank balance of \$132,941,000. Of the bank balance, \$80,624,000 was covered by federal depository insurance, or collateralized with securities held by the pledging bank, or bank's agents, in the University's name and \$52,317,000 was held and invested by the Commonwealth. These deposits were covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name.

Investments

The investments which the University may purchase are limited by the Commonwealth's law and the University's bond resolutions to the following (1) securities or obligations which are fully guaranteed by the U.S. Government or agencies of the U.S. Government as to principal and interest; (2) certificates of deposit or time deposits of banks, trust companies or national banking associations which are insured by the Federal Deposit Insurance Corporation; and (3) mutual funds investing solely in U.S. securities.

Custodial credit risk: Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits or collateral securities may not be returned to it. The University currently uses commercial banks and the Commonwealth as its depositories. Deposits with commercial banks are substantially covered by federal depository insurance or collateral held by the bank in the University's name. At the Commonwealth, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth-pooled deposits are substantially covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The fair value of the University's investments at June 30, 2022 was \$14,420,000. These investments represent the University's Regional University Excellence Trust Fund endowments, which are invested in an investment pool managed by the Foundation. See Note 15 (c) for the required GASB fair value disclosures for the University's investments that are included in the Foundation's investment pool. University assets in the Foundation's investment pool at June 30, 2022 are invested as follows:

Type of Investment:	
Fixed income funds	14%
Domestic equity funds	31%
International equity funds	12%
Emerging markets	5%
Private equity	18%
Natural resources	9%
Other	<u>11%</u>
Total Investments	<u>100%</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As stated in the University's investment policy, the bond resolution governs the investment of bond reserves. The bond resolution limits the investment maturities by the lesser of the remaining life of the bond issue or ten years. Certificates of deposit can have a maturity of not more than two years from the date of issue.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy requires investments to be in compliance with state statute. University investments that are managed by the Foundation are governed by the Foundation's investment policy. This policy contains several provisions which are intended to limit credit risk, including a requirement that fixed income portfolios maintain a weighted-average credit rating of at least AA (Standard and Poor's) and have no more than 10 percent of the portfolio in below investment grade bonds.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The University debt service reserves are invested by the bond trustees in accordance with the governing bond resolutions. There are no specific limits on the maximum amount of investment securities held in bond debt service reserve funds that may be invested in one issuer. However, such investments are limited to interest-bearing direct obligations of the U.S. government or obligations fully guaranteed by the U.S. government.

Foreign Currency Risk: This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University had no investments denominated in foreign currency at June 30, 2022.

Note 3 – Notes, Loans and Accounts Receivable

Notes, loans and accounts receivable as of June 30, 2022 are as follows (in thousands):

	Gross Receivable	Allowance	Net Receivable
Student loans	\$ 1,074	\$ (414)	\$ 660
Student accounts receivable	15,265	(4,800)	10,465
Reimbursement receivable grants and contracts	1,807	-	1,807
NKU Foundation receivable	196	-	196
Other	2,921	(899)	2,022
Total	<u>\$ 21,263</u>	<u>\$ (6,113)</u>	<u>\$ 15,150</u>
Current portion			\$ 14,005
Noncurrent portion			1,145
Total			<u>\$ 15,150</u>

Note 4 – Lease Receivable

The University leases a portion of its property to various third parties, the terms of which expire 2024-2060. Payments increase based upon the terms of the agreement. The leases without rate increases specified were measured based upon the Consumer Price Index at lease commencement.

Revenue recognized under lease contracts during the year ended June 30, 2022 was \$1,214,000, which includes both lease revenue and interest.

Note 5 – Capital and Lease Assets, net

Capital assets for the year ended June 30, 2022, are summarized as follows (in thousands):

	<u>7/1/2021</u> <u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2022</u> <u>Ending</u> <u>Balance</u>
Cost:				
Land	\$ 9,375	\$ -	\$ -	\$ 9,375
Land improvements	42,728	1,309	573	43,464
Buildings	538,411	32,453	4,954	565,910
Equipment	80,843	2,690	9,107	74,426
Library books	9,445	581	180	9,846
Construction in process	21,769	-	19,646	2,123
	<u>702,571</u>	<u>37,033</u>	<u>34,460</u>	<u>705,144</u>
Accumulated Depreciation:				
Land improvements	13,175	1,149	298	14,026
Buildings	240,931	16,266	3,328	253,869
Equipment	70,049	2,611	8,960	63,700
Library books	7,702	417	180	7,939
	<u>331,857</u>	<u>20,443</u>	<u>12,766</u>	<u>339,534</u>
Capital assets, net	<u>\$ 370,714</u>	<u>\$ 16,590</u>	<u>\$ 21,694</u>	<u>\$ 365,610</u>

The estimated cost to complete construction under contract at June 30, 2022 was approximately \$3,361,000.

Leased assets - In addition to the capital assets above, the University started the fiscal year on July 1, 2021 with leased equipment assets of \$1,274,000. Lease amortization expense and accumulated amortization of \$402,000 was recognized during the year ended June 30, 2022, for a final net leased equipment asset balance of \$872,000.

Note 6 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2022 are as follows (in thousands):

Payable to vendors and contractors	\$ 9,375
Accrued expenses, primarily payroll and vacation leave	8,938
Employee withholdings and deposits payable to third parties	3,488
Self-insured health liability	1,722
Total	<u>\$ 23,523</u>

Note 7 – Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2022 are summarized as follows (in thousands):

	Balance			Balance	Current	Noncurrent
	July 1, 2021	Additions	Reductions	June 30, 2022	Portion	Portion
General Receipts Bonds Taxable	\$ 205,450	\$ -	\$ 5,660	\$ 199,790	\$ 4,915	\$ 194,875
General Receipts Bonds Tax Exempt (net of premiums)	131,349	5,483	15,163	121,669	10,195	111,474
Total bonds	336,799	5,483	20,823	321,459	15,110	306,349
Lease liability	1,274	-	377	897	221	676
Other financing arrangements	3,387	-	368	3,019	319	2,700
Total debt	341,460	5,483	21,568	325,375	15,650	309,725
Deferred compensation	38	-	38	-	-	-
Federal portion of loan programs	709	65	176	598	-	598
Unearned revenue	10,679	10,644	10,192	11,131	11,121	10
KERS-sick leave	1,298	6	1,275	29	3	26
Total other long-term liabilities	12,724	10,715	11,681	11,758	11,124	634
Deposits	255	535	373	417	377	40
Net pension and OPEB liability	405,542	-	403,941	1,601	-	1,601
Total long-term liabilities	<u>\$ 759,981</u>	<u>\$ 16,733</u>	<u>\$ 437,563</u>	<u>\$ 339,151</u>	<u>\$ 27,151</u>	<u>\$ 312,000</u>

a. Bonds

The outstanding obligation as of June 30, 2022 for the Northern Kentucky University General Receipts Bonds are reported net of premiums totaling \$7,579,000. General Receipts Bonds are collateralized by the operating and nonoperating income of the University excluding income which as a condition of the receipt is not available for payment of debt service charges.

On October 21, 2021, Northern Kentucky University General Receipts Refunding Bonds were issued in the amount of \$5,025,000 and a net interest cost of 1.23 percent. The proceeds refunded the General Receipts Bonds, 2011 Series A maturing on or after September 1, 2030. The refunding reduced the University's total debt service payments over the term by \$686,000, representing an economic gain of \$654,000. Economic gain is determined by calculating the difference between the present value of the debt service payments on the old and new debt.

The total bonds payable as of June 30, 2022 are as follows (in thousands):

General Receipts Taxable bonds payable	
Series A 2021 (taxable), dated April 20, 2021, with interest rates from 0.36% to 3.43%. Final principal payment date September 1, 2050.	\$ 199,790
Total General Receipts Taxable bonds payable	<u>199,790</u>
General Receipts Tax Exempt bonds payable	
Series A 2013, dated February 26, 2013, with an interest rate of 2.00%. Final principal payment date September 1, 2022.	545
Series A 2014, dated January 7, 2014, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2033.	33,630
Series A 2016, dated May 17, 2016, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2027.	18,110
Series B 2016, dated August 25, 2016, with interest rates from 2.00% to 4.00%. Final principal payment date September 1, 2028.	11,860
Series A 2019, dated November 12, 2019, with interest rates from 3.00% to 5.00%. Final principal payment date September 1, 2044.	36,910
Series A 2020, dated November 4, 2020, with an interest rate of 3.00%. Final principal payment date September 1, 2027.	5,020
Series B 2020, dated November 4, 2020, with interest rates from 2.00% to 3.00%. Final principal payment date September 1, 2027.	2,990
Series B 2021, dated October 21, 2021, with interest rates from 2.00% to 3.50%. Final principal payment date September 1, 2030.	5,025
Total General Receipts Tax Exempt bonds payable	<u>114,090</u>
Plus: Net premiums	7,579
Total bonds payable	<u><u>\$ 321,459</u></u>

Principal maturities and interest on bonds for the next five years and in subsequent five-year periods are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 14,220	\$ 9,755	\$ 23,975
2024	14,090	9,334	23,424
2025	15,000	8,881	23,881
2026	15,480	8,396	23,876
2027	15,985	7,906	23,891
2028 - 2032	60,095	33,399	93,494
2033 - 2037	46,025	25,083	71,108
2038 - 2042	45,245	18,512	63,757
2043 - 2047	48,520	10,716	59,236
2048 - 2052	39,220	2,746	41,966
Subtotal	<u>313,880</u>	<u>134,728</u>	<u>448,608</u>
Plus: Net premiums	7,579	-	7,579
Total	<u>\$ 321,459</u>	<u>\$ 134,728</u>	<u>\$ 456,187</u>

b. Leases

The University leases equipment, the terms of which expire in various years through 2029. The leases were measured based upon the University's incremental borrowing rate at lease commencement.

During the year ended June 30, 2022, the University recognized \$402,000 in lease amortization expense.

The following is a schedule by year of payments under the leases as of June 30, 2022 (in thousands):

<u>Fiscal Year</u>	<u>Total to be paid</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 229	\$ 221	\$ 8
2024	152	146	6
2025	150	146	4
2026	147	144	3
2027	147	146	1
2028 - 2029	95	94	1
Total	<u>\$ 920</u>	<u>\$ 897</u>	<u>\$ 23</u>

Note 8 – Pension Plans and Accrued Compensated Absences

Employees of the University were covered by one of the following plans for the year ended June 30, 2022.

a. Defined Contribution Plan

A Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA CREF) sponsored plan, adopted by the Board of Regents in July 1970, is available upon completion of ninety days of service, to all regular full-time members of the faculty, administrative officers and other staff that were first employed on or after January 1, 2014. The TIAA CREF retirement plan is a defined contribution, money purchase retirement plan. The employees contribute 5 percent of their base salary to the plan. The University contributed 10 percent of base salary of participating employees for the year ended June 30, 2022. All payments are vested immediately and the contracts with the providers are owned by the individual employees. The employee is entitled to various payment options upon retirement. Benefit payments at retirement depend on the total contributions with interest deposited into the employee's account. Retirement benefits can begin upon retirement or termination of employment with the University. Covered payroll totaled \$71,177,000 for the year ended June 30, 2022. The University's contribution totaled \$7,118,000 for the year ended June 30, 2022.

b. Defined Benefit Plan

Plan Description - All regular employees not participating in the above plan were required to participate in either the Nonhazardous or Hazardous cost-sharing multiple employer defined benefit pension plan, both of which are under the Kentucky Employees Retirement System (KERS), that is administered by the Board of Trustees of the Kentucky Public Pensions Authority (KPPA). The defined benefit plans provide for retirement, disability and death benefits. Participants have a fully vested interest after the completion of 60 months of service, 12 of which are current service. KERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601-6124 or by calling (502) 696-8800.

Cessation – On April 20, 2021, the Northern Kentucky University 2021 Taxable Series A bonds were issued for the University’s cessation from the KERS nonhazardous pension plan, under the provisions established by House Bill 1 passed during the 2019 Special Session. Effective June 30, 2021, the University ceased participation in the nonhazardous plan, resulting in the conversion of all Tier 3 employees to the University’s defined contribution plan on July 1, 2021. All new hires hired after the effective date will also participate in the defined contribution plan. Under this provision, Tier 1 and Tier 2 employees will continue to participate in the nonhazardous system with the University funding the actuarial liability calculated for these employees.

The final calculation for the cost of cessation included both payment of the University’s share of the unfunded liability, as well as the estimated future service expense for Tier 1 and Tier 2 employees of \$26,717,000. Management determined this estimate based upon anticipated years of service at retirement age, anticipated compensation over the service period, and current KERS contribution rates. The estimated future service expense is reported as a prepaid asset on the statement of net position and will be recognized over the anticipated service period or upon termination of employment if sooner. For the year ended June 30, 2022, the University recognized \$1,951,000 in expense for the amortization of the future service, in addition to \$2,247,000 in future service expense write-off.

**Kentucky Employees' Retirement System
Governance KRS 61.510 through KRS 61.705
Cost Sharing Multiple Employer Defined Benefit**

	Tier 1 Participation Prior to 9/1/2008	Tier 2 Participation 9/1/2008 through 12/31/2013	Tier 3 Participation on or after 1/1/2014
Hazardous			
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation:	Highest 3 fiscal years (must contain at least 24 months). Includes lump-sum compensation payments (before and at retirement).	3 highest salaries; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor:	2.49%	10 years or less = 1.30%. Greater than 10 years, but no more than 20 years = 1.50%. Greater than 20 years, but no more than 25 years = 2.25%. Greater than 25 years = 2.50%.	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA):	No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit:	Any age with 20 years of service. Age 55 with 60 months of service.	Any age with 25 years of service. Age 60 with 5 years of service.	Any age with 25 years of service. Age 60 with 5 years of service.
Reduced Retirement Benefit:	Age 50 with 15 years of service.	Age 50 with 15 years of service.	No reduced retirement benefit

Contributions - Benefit and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the KPPA Board. For the fiscal year ended June 30, 2022, University employees were required to contribute 5 percent of their annual covered salary for retirement benefits. The University's required contribution percentage rate per covered payroll for the year ended June 30, 2022 is 33.43 percent.

The required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The University's total required contribution to the KERS hazardous pension plan for the year ended June 30, 2022 was \$240,000.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - At June 30, 2022, the University's hazardous pension liability was \$1,601,000. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the University's proportion was .359 percent for hazardous.

For the year ended June 30, 2022, the University recognized hazardous pension expense of \$127,000.

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Hazardous		
Differences between expected and actual experience	\$ 71	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investments	-	301
Changes in proportion and differences between employer contributions and proportionate share of contributions	6	73
Contributions subsequent to the measurement date	240	-
Total	<u>\$ 317</u>	<u>\$ 374</u>

At June 30, 2022, the University reported \$240,000 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2022, related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30	
2023	\$ (71)
2024	(65)
2025	(68)
2026	(93)
	<u>\$ (297)</u>

Pension Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement for hazardous pensions.

	<u>Hazardous</u>
Inflation	2.30%
Salary Increases	3.55% to 20.05%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation

The mortality table used for active members was the Pub-2010 Public Safety Mortality table for the Hazardous Plans, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for non-disabled retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The most recent actuarial experience study was for the period July 1, 2013 through June 30, 2018. The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Hazardous</u>	
	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
US equity	5.70%	21.75%
Non US equity	6.35%	21.75%
Private equity	9.70%	10.00%
Specialty credit/high yield	2.80%	15.00%
Core bonds	0.00%	10.00%
Cash	-0.60%	1.50%
Real estate	5.40%	10.00%
Opportunistic	N/A	0.00%
Real return	4.55%	10.00%
Expected real return	5.00%	100.00%
Long-term inflation assumption	2.30%	
Expected nominal return for portfolio	7.30%	

Pension Discount rate – The discount rate used to measure the total pension liability was 6.25 percent for the hazardous plan.

Sensitivity of the University’s proportionate share of the net pension liability to changes in the discount rate - The University’s proportionate share of the net pension liability has been calculated using a discount rate of 6.25 percent for hazardous. The following presents the University’s proportionate share of the net pension liability calculated using a discount rate 1 percent higher and 1 percent lower than the current rate (in thousands):

	<u>1% Decrease (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
Hazardous			
Proportionate share of the Collective Net Pension Liability	\$ 2,192	\$ 1,601	\$ 1,121

Payable to the pension plan - The University reported payables of \$28,000 for the outstanding amount of employer contributions to the pension plan required for the year ended June 30, 2022.

Effective July 1, 2010, KRS 61.546 states “the value of any accumulated sick leave that is added to the member’s service credit in the KERS on or after July 1, 2010, shall be paid to the retirement system by the last participating KERS employer based upon a formula adapted by the Board.” The KERS sick leave liability as of June 30, 2022 was \$29,000.

c. Compensated Absences

University employees begin to accumulate annual vacation allowance from the initial date of employment; however, no vacation is granted until three months of continuous employment have been completed. The maximum accumulation of vacation leave is limited to the number of days that can be accumulated in twelve months, based upon length of service and employment classification. Eligible employees are paid their accumulated vacation upon termination, subject to certain limitations. At June 30, 2022, the University had recognized an accrued vacation liability of \$3,848,000.

Note 9– Other Post-Employment Benefits

a. Defined Benefit Plan

Plan Description - The University contributes to the KPPA Insurance Fund, a cost-sharing multiple employer defined benefit other post-employment plan (the OPEB plan), which was established to provide hospital and medical insurance for eligible members receiving benefits from KERS. The OPEB plan pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The OPEB plan is administered by the Board of Trustees of the KPPA. Benefit provisions are contained in the plan document and were established and can be amended by action of the Commonwealth of Kentucky Legislature. KERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Public Pensions Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601-6124 or by calling (502) 696-8800.

Cessation - Effective June 30, 2021, the University ceased participation in the nonhazardous plan, resulting in the conversion of all nonhazardous Tier 3 employees to the University’s defined contribution plan on July 1, 2021. All new hires hired after the effective date will also participate in the defined contribution plan. Under this provision, Tier 1 and Tier 2 employees will continue to participate in the nonhazardous system with the University funding the actuarial liability calculated for these employees. There was no change for hazardous employees.

Benefits Provided –

	Tier 1 Participation Prior to 7/1/2003	Tier 2 Participation 7/1/2003 through 8/31/2008	Tier 3 Participation on or after 9/1/2008
Hazardous			
OPEB eligibility:	Recipient of a retirement allowance	Recipient of a retirement allowance, with at least 120 months of service at retirement	Recipient of a retirement allowance, with at least 180 months of service at retirement
OPEB benefit:	Allowance for medical insurance coverage based on years and type of service. Less than 4 years = 0%. At least 4 years, but less than 10 = 25%. At least 10 years, but less than 15 = 50%. At least 15 years, but less than 20 = 75%. 20 or more years = 100%.	Monthly contribution of \$15 for each year of earned service. Adjusted 1.5% annually.	

Contributions - Benefit and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the participating organizations are established and may be amended by the KPPA Board. Employees with a participation date after 9/1/2008 were required to contribute 1 percent of their covered salary for retiree healthcare benefits. The University’s required contribution percentage rates per covered payroll for the year ended June 30, 2022 was 0.00 percent.

The required contributions to the KERS hazardous OPEB plan for the year ended June 30, 2022 was \$0.

OPEB assets, OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB - The University's hazardous OPEB asset was \$41,000 for the year ended June 30, 2022. The total OPEB asset and net OPEB asset were based on an actuarial valuation date of June 30, 2021. The total OPEB asset used to calculate the net was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2021 using generally accepted actuarial principles. The University's proportion of the net OPEB asset was based on the University's actual contributions to the OPEB plan relative to the contributions of all participating employers for the measurement period. At June 30, 2022, the University's proportion was 0.359 percent for hazardous.

For the year ended June 30, 2022, the University recognized hazardous OPEB expense of \$43,000.

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Hazardous		
Differences between expected and actual experience	\$ 56	\$ 118
Change of assumptions	268	1
Net difference between projected and actual earnings on investments	-	211
Changes in proportion and differences between employer contributions and proportionate share of contributions	1	11
Contributions subsequent to the measurement date	8	-
Total	\$ 333	\$ 341

The implicit subsidy was \$8,000 for hazardous for the year ended June 30, 2022.

At June 30, 2022, the University reported \$8,000 as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the following year. This amount includes the implicit subsidy amount of \$8,000. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2022, related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30	
2023	\$ 33
2024	7
2025	(8)
2026	(48)
Thereafter	-
	<u>\$ (16)</u>

Actuarial assumptions - The total OPEB asset and liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement for hazardous OPEB.

	Hazardous
Inflation	2.30%
Salary increases	3.55% to 20.05%, varies by service
Payroll growth rate	0.00%
Health care cost trend rates	
Pre-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 6.30% in 2023 and then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Investment Rate of Return	6.25%
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a based year of 2019.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Kentucky Retirement Systems		
OPEB Asset Allocations		
Asset Class	Long Term Expected Real Rate of Return	Target Allocation
US equity	5.70%	21.75%
Non-US equity	6.35%	21.75%
Private equity	9.70%	10.00%
Specialty credit/high yield	2.80%	15.00%
Core bonds	0.00%	10.00%
Cash	-0.60%	1.50%
Real estate	5.40%	10.00%
Opportunistic	N/A	0.00%
Real return	4.55%	10.00%
Expected real return	5.00%	100.00%
Long-term inflation assumption	2.30%	
Expected nominal return for portfolio	7.30%	

The table above is applicable to the hazardous plan.

Discount rate - The discount rate used to measure the total OPEB asset and liability was 5.01% for the hazardous plan. The discount rate determination used an expected rate of return of 6.25%, a municipal bond rate of 1.92%, as reported in Fidelity Index's "20 -Year Municipal GO AA Index" as of June 30, 2021. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

Sensitivity of the University's proportionate share of the net OPEB asset to changes in the discount rate - The University's proportionate share of the net OPEB asset has been calculated using a discount rate of 5.01% for hazardous. The following presents the University's share of the net OPEB asset calculated using a discount rate 1% higher and 1% lower than the current rate (in thousands):

	<u>1% Decrease (4.01%)</u>	<u>Current Discount Rate (5.01%)</u>	<u>1% Increase (6.01%)</u>
Hazardous			
Proportionate share of the Collective Net OPEB Liability (Asset)	\$ 296	\$ (41)	\$ (312)

Sensitivity of the University's proportionate share of the net OPEB asset to changes in the health care cost trend rates - The University's proportionate share of the net OPEB asset has been calculated using an initial pre-65 health care trend rate of 6.30%, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The post-65 health care trend rate starts at 6.30% in 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase</u>
Hazardous			
Proportionate share of the Collective Net OPEB Liability (Asset)	\$ (284)	\$ (41)	\$ 255

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan annual report.

Payable to the OPEB plan - The University reported payables of \$0 for the outstanding amount of employer contributions to the OPEB plan required for the year ended June 30, 2022.

Note 10 – Operating Expenses By Natural Classification

The University's operating expenses by natural classification are as follows for the year ended June 30, 2022 (in thousands):

Salaries and wages	\$ 114,115
Employee benefits	37,734
Utilities	5,436
Supplies and other services	60,588
Depreciation and amortization	20,845
Student scholarships and financial aid	39,843
Total	<u>\$ 278,561</u>

Note 11 – Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by (1) the State Fire and Tornado Insurance Fund (the Fund), (2) Sovereign Immunity and the Kentucky Claims Commission, or (3) in the case of risks not covered by the Fund and Sovereign Immunity, commercial insurance, participation in insurance risk retention groups or self-insurance.

The Fund covers losses to property from fire, wind, earthquake, flood and most other causes of loss between \$5,000 and \$1 million per occurrence. Losses in excess of \$1 million are insured by commercial carriers up to \$1.5 billion per occurrence with buildings insured at replacement cost and contents on an actual cash value basis. As a state agency, the University is vested with Sovereign Immunity and is subject to the provisions of the *Board of Claims Act*, under which the University's liability for certain negligence claims is limited to \$250,000 for any one person or \$400,000 for all persons damaged by a single act of negligence. Claims against educators' errors and omissions and wrongful acts are insured through a reciprocal risk retention group. There have been no significant reductions in insurance coverage from 2021 to 2022. Settlements have not exceeded insurance coverage during the past three years.

The University began self-insuring employee health insurance as of January 1, 2014. Accrued expenses are based on the estimated costs of health care claims based on claims filed subsequent to year end and an additional amount for incurred but not yet reported claims based on prior experience. The University purchases both specific and aggregate stop loss coverage on medical and prescription drug claims. The stop loss insurance limits its exposure for claims to \$300,000 per individual and 85 percent of projected aggregate claims.

The health self-insurance liability as of June 30, 2022 is detailed below (in thousands):

Liability, beginning of year	\$ 1,609
Claims and changes in estimates	16,308
Claims paid	<u>(16,195)</u>
Liability, end of year	<u>\$ 1,722</u>

The University also self-insures certain other employee benefits, including worker's compensation claims to the extent not covered by insurance. The University has recorded an estimate for asserted claims at June 30, 2022.

Note 12 – Contingencies

The University is a party to various litigation and other claims in the ordinary course of business. University officials are of the opinion, based upon the advice of legal counsel, that the ultimate resolution of these matters will not have a material effect on the financial position of the University.

As a result of the spread of SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the University. Potential effects include but are not limited to declines in the fair value of investments, realizability of receivables, and declines in revenues. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 13 – Restricted Net Position

At June 30, 2022, restricted expendable net position was available for the following purposes:

Appreciation on permanent endowments	\$ 6,804
Capital projects and debt service	2,149
Funds restricted for noncapital purposes	<u>595</u>
Restricted Net Position, end of year	<u>\$ 9,548</u>

Note 14 – Blended Entity Condensed Financial Information

Condensed financial information for Northern Kentucky University Research Foundation (NKURF) is provided below for the year ended June 30, 2022 (in thousands):

NKURF Condensed Statement of Net Position

ASSETS	
Current assets	\$ 1,688
Total assets	<u>1,688</u>
LIABILITIES	
Current liabilities	<u>343</u>
Total liabilities	<u>343</u>
NET POSITION	
Restricted expendable	45
Unrestricted	<u>1,300</u>
Total net position	<u>\$ 1,345</u>

NKURF Condensed Statement of Revenues, Expenses, and Changes in Net Position

OPERATING REVENUES	
Grants and contracts	\$ 2,237
Recoveries of facilities and administrative costs	<u>360</u>
Total operating revenues	<u>2,597</u>
OPERATING EXPENSES	
Operating expenses	<u>2,273</u>
Operating income	<u>324</u>
NONOPERATING REVENUES (EXPENSES)	
Nonexchange grants and gifts	27
Noncapital transfers (to)/from the University	(115)
Gifts and grants	<u>8</u>
Net nonoperating revenues (expenses)	<u>(80)</u>
Increase in net position	<u>244</u>
NET POSITION	
Net position-beginning of year	<u>1,101</u>
Net position-end of year	<u>\$ 1,345</u>

NKURF Condensed Statement of Cash Flow

Net cash provided by operating activities	\$ 235
Net cash used by noncapital financing activities	11
Net increase in cash and cash equivalents	<u>246</u>
Cash and cash equivalents-beginning of year	1,046
Cash and cash equivalents-end of year	<u><u>\$ 1,292</u></u>

Note 15 – Northern Kentucky University Foundation, Inc. Notes to Financial Statements

Selected disclosures from the Foundation are included as follows:

a. Summary of Significant Accounting Policies

1. Scope of Statements

The consolidated financial statements of the Northern Kentucky Foundation, Inc. include the operations of the Foundation and several single member limited liability companies. All material intercompany transactions and balances have been eliminated for the year ended June 30, 2022.

2. Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Foundation in preparation of its consolidated financial statements.

These statements are presented on the accrual basis of accounting, and have been prepared to focus on the Foundation as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets – with donor restrictions and without donor restrictions.

Net assets and changes therein are classified as follows:

- ***With donor restrictions*** - Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.
- ***Without donor restrictions*** - Net assets not subject to donor-imposed stipulations. And are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Restricted contributions and net investment returns earned are reported as with donor restrictions and reclassified as without donor restricted when any donor-imposed restrictions are satisfied. Expirations of with donor restrictions on net assets are met when a donor stipulated time restriction ends or purpose restriction is accomplished and reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and nature of the fund-raising activity.

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Income and realized net gains on long-term investments are reported as follows:

- As increases in net assets with donor restrictions – if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the use of the income.
- As increases in net assets without donor restrictions – in all other cases.

3. Cash and Cash Equivalents

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits and temporary investments in marketable securities with maturities of less than three months. Cash and cash equivalents representing investments purchased with endowment net assets are reported as investments.

At various times throughout the year, the Foundation has cash in certain financial institutions in excess of insured limits. Additionally, at June 30, 2022, \$1,172,000, was insured by federal depository insurance or collateralized with securities held by the financial institution's trust department or agent, but not in the Foundation's name. At June 30, 2022, a balance of \$11,646,000, was neither insured nor collateralized.

4. Loans and Accounts Receivable

Loans receivable consists primarily of loans made to students under privately funded loan programs. The advances are evidenced by signed promissory notes, bearing interest at varying stated interest rates, with varying due dates. Loans, accounts and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for a probable uncollectible allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts as of June 30, 2022, was approximately \$44,000.

5. Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair value. The estimated fair value of investments is based on quoted market prices, except for investments for which quoted market prices are not available. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations provided by the external investment managers adjusted for cash receipts, cash disbursements and distributions. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation (depreciation) of investments earned during the year is provided for program support.

The Foundation has significant exposure to a number of risks including interest rate, market and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the Foundation's consolidated financial statements.

All true endowment investments and long-term net assets functioning as endowments are managed in a pool, unless special considerations or donor stipulations require that they be held separately.

6. Land and Land Improvements

At June 30, 2022, land and land improvements (in thousands) consisted of:

Type of Asset:	
Land	\$ 178
Land held for future use by the University	145
Land improvements	208
Gross land and land improvements	531
Less: accumulated depreciation	(208)
Total land and land improvements	\$ 323

Assets acquired for Foundation use with a useful life greater than one year and a value of \$5,000 or more are capitalized. Annual depreciation for land improvements is calculated on a straight-line basis, beginning in the month of acquisition based on a useful life of 30 years. Assets purchased or constructed through the Foundation for immediate use by the University are recorded by the Foundation as a program expense.

7. Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended June 30, 2022.

8. Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

b. Unconditional and Conditional Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using a risk free interest rate and amortization of the discount is included in gifts and bequests revenue.

At June 30, 2022, the Foundation recognized contributions based on the following unconditional promises to give (in thousands):

Purpose:	
Endowment giving	\$ 1,134
Capital purposes	140
Operating programs	<u>6,414</u>
Gross unconditional promises	<u>7,688</u>
Less: Discount and allowance for uncollectible accounts	<u>(718)</u>
Net unconditional promises to give	<u><u>\$ 6,970</u></u>
Amounts due in:	
Less than one year	\$ 2,449
One to five years	3,739
More than five years	<u>1,500</u>
Total	<u><u>\$ 7,688</u></u>

The discount rates used to calculate the present value of contributions receivable at June 30, 2022 vary from 0.6% to 3.6%, depending on when the promise was made.

Conditional promises to give are not included as support until such time as the conditions are substantially met. The Foundation had received conditional promises to give of approximately \$5.4 million at June 30, 2022, consisting of the face value of life insurance policies, net of accumulated cash surrender value, as well as conditional promises of \$4.6 million at June 30, 2022 consisting of promises from three donors.

Approximately 36% of total pledges receivable were due from one donor at June 30, 2022.

c. Fair Value Measurements

The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Other inputs that are observable for the asset or liability;
- Other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include short-term money market funds, cash surrender value, fixed income funds and equity funds.

Level 2 investments are based on quoted prices of securities or other property with similar characteristics and include a remainder interest in real property subject to a life estate.

Level 3 investments include those in which there is no active market. The Foundation holds no Level 3 investments at June 30, 2022.

The following assets were measured at fair value on a recurring basis as of June 30, 2022 (in thousands):

	Fair Value Measurements Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV*
Type of Investment:					
Short-term money market funds	\$ 15	\$ 15	\$ -	\$ -	\$ -
Cash surrender value	472	472	-	-	-
Fixed income funds:					
Core	10,415	10,415	-	-	-
Core plus	2,624	2,624	-	-	-
Treasury inflation protected securities	4,000	4,000			
Equity funds:					
Large/Mid-cap - Broad	25,930	25,930	-	-	-
Large/Mid-cap - Growth	1,983	1,983	-	-	-
Large/Mid-cap - Value	5,782	5,782	-	-	-
Small Cap - Growth	1,696	1,696	-	-	-
Small Cap - Value	2,683	2,683			
International - Core	8,625	8,625	-	-	-
International - Value	2,967	2,967	-	-	-
International Small Cap - Value	2,885	2,885	-	-	-
Emerging Markets - Value	3,324	3,324	-	-	-
Emerging Markets - Growth	3,172	3,172	-	-	-
Real estate Investment Trust	40	40	-	-	-
Exchange Traded Funds	279	279	-	-	-
Remainder interest in real property and other	1,190	-	1,190	-	-
Public natural resources-master limited partnerships	2,469	-	-	-	2,469
Private equity	23,307	-	-	-	23,307
Private debt	5,786	-	-	-	5,786
Natural resources	8,772	-	-	-	8,772
Private real estate	4,607	-	-	-	4,607
Total	\$ 123,023	\$ 76,892	\$ 1,190	\$ -	\$ 44,941

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position

d. Investments

The market value (in thousands) of the Foundation's investments as of June 30, 2022 are categorized by type below:

Type of Investment:	
Short-term money market funds	\$ 15
Cash and cash surrender value	2,307
Fixed income funds:	
Core	10,415
Core plus	2,624
Treasury inflation protected securities	4,000
Equity Funds:	
Large/mid cap - broad	25,930
Large/mid cap - growth	1,983
Large/mid cap - value	5,782
Small cap - growth	1,696
Small cap - value	2,683
International - core	8,625
International - value	2,967
International small cap - value	2,885
Emerging markets - value	3,324
Emerging markets - growth	3,172
Real estate investment trust	40
Exchange traded funds	279
Public natural resources - master	
Limited partnerships	2,469
Remainder interest in real property and other	1,190
Private equity:	
Buyout	5,497
Diversified	284
Growth	5,057
Venture capital	10,123
Secondary	2,346
Private debt:	
Distressed	5,777
Mezzanine	9
Natural resources:	
Diversified	2,310
Energy	3,519
Commodities	2,943
Private real estate:	
Opportunistic	4,270
Value added	337
Total investments	<u>\$ 124,858</u>

Investment return (in thousands) for the year ended June 30, 2022 consists of:

Interest and dividend income	
(net of investment fees: 2022 - \$1,009)	\$ 4,603
Net realized gains	24,770
Net unrealized gains (losses)	<u>(35,576)</u>
Total investment return	<u>\$ (6,203)</u>

The Foundation records the cost of managing its endowment portfolio as a decrease in investment income within the appropriate net asset class in the consolidated statement of activities. Some of the Foundation's investment managers report investment transactions net of fees.

The investments of the Foundation are commingled with certain investments which the Foundation holds in trust for the University. The market value of funds held in trust for the University at June 30, 2022 was approximately \$14,420,000. (See Note I)

At June 30, 2022, the Foundation had committed approximately \$78,000,000, of its endowment investment resources to alternative investments, of which approximately \$25,500,000, had not yet been called by the investment managers. Alternative investments for which commitments have been made consist of private equity/debt, natural resources, private real estate and low-volatility.

Alternative investments of the Foundation have limited marketability and the related investment agreements generally contain restrictive redemption provisions to the extent that the underlying investments should be considered illiquid for the duration of the investment through normal maturity. Early redemption of such investments would likely result in recovery of significantly less than the original investment amount. Foundation management believes the investment portfolio contains sufficient liquidity among other asset classes to make early redemption of alternative investments unlikely for reasons of meeting current spending needs.

e. Endowments

The Foundation's endowment consists of 384 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board, at their discretion, can at any time permit spending from the principal of any quasi-endowed fund, provided the expenditure complies with any donor-imposed restrictions related to the fund.

Kentucky enacted the Kentucky Uniform Prudent Management of Institutional Funds Act (KUPMIFA), the provisions of which apply to endowment funds existing on or established after enactment, with an effective date of July 15, 2010.

An interpretation of KUPMIFA provisions by the Foundation Board of Directors requires that the historical dollar amount of a donor-restricted endowment fund be preserved. As a result of this requirement, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The net appreciation of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

Under KUPMIFA, the Foundation endowment spending policy allows for prudent spending of future endowment earnings for accounts without accumulated earnings based upon consideration of the following factors, if applicable:

- Duration and preservation of the endowment fund
- Purpose of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return on investments
- Other resources of the institution
- Investment policy

The approved annual endowment spending rate is reduced by a proportion of 5% for each 1% the affected endowment is below the value of original and subsequent gifts to the permanent endowment (i.e. principal).

Return Objectives and Risk Parameters. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a rate equal to the Consumer Price Index +5%, net of investment fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes fixed income investments as well as publicly traded equity-based investments and various alternative investment strategies to achieve its long-term return objectives within prudent risk parameters.

Spending Policy and How the Objectives Relate to Spending Policy. The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 3-5% of a moving sixteen quarter average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow the Foundation to meet its objective to maintain the historical dollar amount of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$ -	\$ 97,398	\$ 97,398
Quasi-endowment funds	3,147	4,792	7,939
Total endowment funds	<u>\$ 3,147</u>	<u>\$ 102,190</u>	<u>\$ 105,337</u>

Changes in endowment net assets (in thousands) for the year ended June 30, 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 3,367	\$ 110,714	\$ 114,081
Contributions collected and other additions	-	1,454	1,454
Investment income	137	4,468	4,605
Net investment loss	(331)	(10,638)	(10,969)
Amounts appropriated for expenditure	<u>(26)</u>	<u>(3,808)</u>	<u>(3,834)</u>
Endowment net assets, end of year	<u>\$ 3,147</u>	<u>\$ 102,190</u>	<u>\$ 105,337</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or KUPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature were approximately \$21,000 at June 30, 2022. These deficiencies resulted from unfavorable market conditions that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

f. Contingent Liabilities

Legal counsel for the Foundation have advised that they know of no pending or threatened litigation, claims or assessments involving the Foundation that could have a material adverse financial effect on the Foundation.

g. Regional University Excellence Trust Fund

The Foundation holds certain funds, consisting of endowment matching funds received by the University from the Commonwealth of Kentucky's Regional University Excellence Trust Fund, which were subsequently transferred to the Foundation for management and investment. The Foundation reports these funds and accumulated earnings as assets held in trust for the University. Investment earnings, gains and losses and expenditures from these funds are reported as changes in the balance held in trust, rather than as revenue and expenses of the Foundation.

h. Subsequent Events

Events occurring after June 30, 2022 have been evaluated for possible adjustment to the consolidated financial statements or disclosure through October 6, 2022, the date on which the consolidated financial statements were available to be issued.

i. Related Party Transactions

During the year ended June 30, 2022, the Foundation made payments on behalf of the University of \$303,000, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. Approximately \$0 was owed to the University for such costs.

In support of University Programs, the Foundation incurred program expenses of \$7,074,000 for 2022, which consisted of payments on behalf of the University of \$4,921,000 and amounts transferred to the University for restricted purposes of \$2,153,000.

j. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022, comprise the following (in thousands):

Cash and equivalents	\$	6,045
Accounts receivable		51
Contributions receivable		1,877
Less allowance for uncollectible pledges		(11)
	\$	<u>7,962</u>

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the year ended June 30, 2022, restricted contributions of \$1,866,000 were included in financial assets available to meet cash needs for general expenditures within one year.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The quasi-endowment for the year ended June 30, 2022, of \$7,100,000 is subject to an annual spending rate as described in Note 15e. Although the Foundation does not intend to spend from this quasi-endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation's Finance and Audit Committee reviews the liquidity policy annually and the summarized financial reports at its regular meetings.

k. Schedule of Functional Expenses

The Foundation accounts for expenses in both natural classification categories and functional area categories. The summaries of these for the year ended June 30, 2022 are as follows (in thousands):

Schedule of Functional Expenses For the Year Ended 6/30/22 (in thousands)

	Subgranted to NKU-Payroll	Subgranted to NKU-Other	Contracted Services	Operating	Scholarships & Awards	Total
Instruction	\$ 442	\$ 93	\$ 43	\$ 153	\$ -	\$ 731
Research	70	-	-	5	-	75
Public service	13	-	84	146	-	243
Libraries	-	-	1	10	-	11
Academic support	453	-	52	434	-	939
Student services	367	13	52	556	-	988
Institutional support	576	-	38	376	-	990
University facilities and equipment acquisition	-	125	2	40	-	167
Student financial aid	-	-	-	-	3,020	3,020
Other program expenses and losses	-	-	-	(90)	-	(90)
Total program expenses	\$ 1,921	\$ 231	\$ 272	\$ 1,630	\$ 3,020	\$ 7,074
Management and general	303	-	48	94	-	445
Fund raising support	-	-	4	204	-	208
Total support expenses	\$ 303	\$ -	\$ 52	\$ 298	\$ -	\$ 653
Total expenses and losses	\$ 2,224	\$ 231	\$ 324	\$ 1,928	\$ 3,020	\$ 7,727

l. Future Changes in Accounting Principles

Accounting for Leases

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line bases over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for the Foundation for the year ending June 30, 2023.

Required Supplementary Information

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Schedule of Proportionate Share of the Collective Net Pension Liability
Kentucky Employees' Retirement System
(in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Nonhazardous								
University's proportionate share of the net pension liability	0.00%	2.413982%	2.335187%	2.304209%	2.345490%	2.403742%	2.447755%	2.489115%
University's proportionate share of the collective net pension liability	\$ -	\$ 341,932	\$ 329,798	\$ 313,460	\$ 314,022	\$ 274,014	\$ 245,556	\$ 223,319
University's covered-employee payroll	\$ -	\$ 35,634	\$ 34,697	\$ 34,793	\$ 37,584	\$ 39,206	\$ 37,799	\$ 39,266
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	959.56%	950.50%	900.94%	835.52%	698.91%	649.64%	568.73%
Pension plan fiduciary net position as a % of the total pension liability	0.00%	14.01%	13.66%	12.84%	13.30%	14.80%	18.83%	22.30%
Hazardous								
University's proportionate share of the net pension liability	0.359247%	0.384598%	0.373520%	0.386465%	0.370876%	0.040113%	0.444514%	0.414511%
University's proportionate share of the collective net pension liability	\$ 1,601	\$ 2,157	\$ 2,041	\$ 1,952	\$ 1,844	\$ 1,571	\$ 1,524	\$ 1,059
University's covered-employee payroll	\$ 621	\$ 661	\$ 600	\$ 591	\$ 662	\$ 637	\$ 563	\$ 535
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	258.00%	326.28%	340.16%	330.29%	278.50%	246.58%	270.64%	197.80%
Pension plan fiduciary net position as a % of the total pension liability	66.03%	55.18%	55.49%	56.10%	54.80%	57.41%	61.70%	68.70%

*The amounts presented for the fiscal year were determined as of June 30 of the previous fiscal year (measurement date).

** This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Schedule of University Pension Contributions
Kentucky Employees' Retirement System
(in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Nonhazardous								
Contractually required contribution	\$ -	\$ 13,855	\$ 14,310	\$ 14,162	\$ 14,596	\$ 14,738	\$ 12,069	\$ 12,320
University's contributions in relation to the contractually required contribution	-	13,855	14,310	14,162	14,596	14,738	12,069	12,320
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ -	\$ 33,743	\$ 34,848	\$ 34,491	\$ 35,498	\$ 36,626	\$ 39,131	\$ 39,948
Contributions as a percentage of covered-employee payroll	0.00%	41.06%	41.06%	41.06%	41.06%	40.24%	30.84%	30.84%
Hazardous								
Contractually required contribution	\$ 240	\$ 233	\$ 287	\$ 256	\$ 180	\$ 170	\$ 127	\$ 136
University's contributions in relation to the contractually required contribution	240	233	287	256	180	170	127	136
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 717	\$ 646	\$ 835	\$ 744	\$ 838	\$ 806	\$ 776	\$ 831
Contributions as a percentage of covered-employee payroll	33.43%	36.00%	34.39%	34.39%	21.44%	21.08%	16.37%	16.37%

Notes to the Schedule:

Changes in assumptions - In fiscal year 2018, the KERS nonhazardous investment rate and discount rate both decreased from 6.75% to 5.25%. The KERS hazardous investment rate and discount rate both decreased from 7.50% to 6.25%. For the nonhazardous plan, the estimated salary increases decreased from 4.00% to 3.05% in fiscal year 2019. As of fiscal year 2020, salary increase assumptions vary from 3.30% to 15.30% based on service. For the hazardous plan, the estimated salary increases decreased from 4.00% to 3.05% in fiscal year 2019. As of fiscal year 2020, the salary increase assumptions vary from 3.55% to 20.05% based on service. In fiscal year 2018, the KERS plan inflation rate decreased from 3.25% to 2.30% for both the nonhazardous and hazardous plans.

This schedule does not include the cessation payment of \$169,320,000.

* The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

** This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Schedule of Proportionate Share of the Net OPEB Liability
Kentucky Employees' Retirement System
(in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Nonhazardous					
University's proportionate share of the net OPEB liability (asset)	0.00%	2.413982%	2.335187%	2.302178%	2.345490%
University's proportionate share of the net net OPEB liability (asset)	\$ -	\$ 61,289	\$ 51,909	\$ 54,583	\$ 59,481
University's covered-employee payroll	\$ -	\$ 35,786	\$ 35,400	\$ 36,234	\$ 37,366
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	171.27%	146.64%	150.64%	159.18%
Plan fiduciary net position as a % of the total OPEB liability	0.00%	29.47%	30.92%	27.32%	24.40%
Hazardous					
University's proportionate share of the net OPEB liability (asset)	0.359216%	0.384513%	0.372729%	0.386561%	0.370876%
University's proportionate share of the net net OPEB liability (asset)	\$ (41)	\$ 164	\$ (100)	\$ (128)	\$ 22
University's covered-employee payroll	\$ 620	\$ 701	\$ 564	\$ 736	\$ 635
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-6.67%	23.47%	-17.73%	-17.43%	3.46%
Plan fiduciary net position as a % of the total OPEB liability	101.85%	92.42%	105.29%	106.83%	98.80%

*The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

** This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Northern Kentucky University
A Component Unit of the Commonwealth of Kentucky
Schedule of University OPEB Contributions
Kentucky Employees' Retirement System
(in thousands)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Non-hazardous					
Contractually required contribution	\$ -	\$ 2,838	\$ 2,931	\$ 2,901	\$ 2,989
University's contributions in relation to the contractually required contribution	-	2,838	2,931	2,901	2,989
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll		\$ 33,743	\$ 34,848	\$ 34,491	\$ 35,548
Contributions as a percentage of covered-employee payroll		8.41%	8.41%	8.41%	8.41%
Hazardous					
Contractually required contribution	\$ -	\$ -	\$ 21	\$ 18	\$ 19
University's contributions in relation to the contractually required contribution	-	-	21	18	19
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 717	\$ 656	\$ 835	\$ 744	\$ 838
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	2.46%	2.46%	2.26%

Notes to the Schedule:

Changes in assumptions - In fiscal year 2018, the KERS nonhazardous and hazardous investment rate decreased from 7.50% to 6.25%. The nonhazardous discount rate decreased from 6.90% to 5.83%, and the hazardous discount rate decreased from 7.20% to 5.87%. The estimated salary increases decreased from 4.00% to 3.05% for both the nonhazardous and hazardous plans. The KERS plan inflation rate decreased from 3.25% to 2.30% for both the nonhazardous and hazardous plans. In fiscal year 2019, the KERS nonhazardous discount rate increased from 5.83% to 5.86%; the KERS hazardous discount rate increased from 5.87% to 5.88%. As of fiscal year 2020, salary increase assumptions vary from 3.30% to 15.30%, based on service, for the nonhazardous plan. Salary increase assumptions vary from 3.55% to 20.05%, based on service, for the hazardous plan. Also, in fiscal year 2020, the nonhazardous discount rate decreased from 5.86% to 5.73%, while the hazardous discount rate decreased from 5.88% to 5.66%.

In fiscal year 2020, the pre-65 healthcare trend rate assumptions were revised from an initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend of 4.05% over 12 years to an initial trend starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The post-65 assumptions changed from an initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years to an initial trend starting at 2.90% at January 1, 2022, and gradually increasing to 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The discount rate changed from 5.73% for KERS nonhazardous and 5.66% for KERS hazardous to 5.43% for KERS nonhazardous and 5.28% for KERS hazardous.

In fiscal year 2022, the pre-65 healthcare trend rate assumptions were revised to 6.30% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The post-65 healthcare trend rate assumptions were revised to 6.30% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

* The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

** This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.



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Independent Auditor's Report on Compliance With Specified Requirements of Commonwealth of Kentucky House Bill 622

Board of Regents
Northern Kentucky University
Highland Heights, Kentucky
and
Secretary of Finance and
Administration Cabinet of the
Commonwealth of Kentucky
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Northern Kentucky University (University) and its discretely presented component unit and its fiduciary activities, collectively, a component unit of the Commonwealth of Kentucky, which comprise the statement of net position as of June 30, 2022, and the statement of revenues, expenses and changes in net position and the statement of cash flows for the year then ended. The discretely presented component unit's financial statements are comprised of the consolidated statement of financial position as of June 30, 2022, and the consolidated statement of activities for the year then ended. We have issued our report thereon dated October 6, 2022, which contained an emphasis of matter paragraph regarding a change in accounting principles.

In connection with our audit, nothing came to our attention that caused us to believe the University failed to comply with the provisions set forth in the Commonwealth of Kentucky's House Bill 622 (KRS164A.555 to 164A.630) insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the University's noncompliance with the above-referenced requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Regents, management of the University and Secretary of Finance and Administration Cabinet of the Commonwealth of Kentucky and is not intended to be, and should not be, used by anyone other than these specified parties.

FORVIS,LLP

Cincinnati, Ohio
October 6, 2022

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October 6, 2022

Board of Regents and Audit Committee
Northern Kentucky University
Highland Heights, Kentucky
and
Kentucky Auditor of Public Accounts
Frankfort, Kentucky
and
Secretary of Finance and
Administration Cabinet, Department
for Facilities Management of the
Commonwealth of Kentucky
Frankfort, Kentucky
and
Governor of Kentucky
Frankfort, Kentucky
and
Council on Postsecondary Education
Frankfort, Kentucky

During the year ended June 30, 2022, Northern Kentucky University did not enter into any new leases and did not renew any existing leases for real property. Therefore, procedures related to Kentucky Revised Statutes (KRS) § 48.111 and 56.800 through 56.832 (Kentucky Lease Law) were not performed.



James E. Creeden, Jr., CPA
Managing Partner

**Northern Kentucky University Research
Foundation, Inc.
A Component Unit of
Northern Kentucky University**

Independent Auditor's Report and Financial Statements

June 30, 2022

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Independent Auditor's Report

Board of Directors
Northern Kentucky University Research Foundation, Inc.
Highland Heights, Kentucky

Opinion

We have audited the financial statements of the business-type activities and the fiduciary activities of Northern Kentucky University Research Foundation, Inc. (Research Foundation), collectively a component unit of Northern Kentucky University, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Research Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary activities of the Research Foundation, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Research Foundation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FORVIS,LLP

Cincinnati, Ohio
October 6, 2022

Northern Kentucky University Research Foundation, Inc.
A Component Unit of Northern Kentucky University
Management's Discussion and Analysis
Years Ended June 30, 2022

Northern Kentucky University Research Foundation, Inc.'s (the Research Foundation) Management's Discussion and Analysis of its financial condition provides an overview of the financial performance of the Research Foundation for the year ended June 30, 2022, with selected comparative information for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

Reporting Entity

The Research Foundation is organized for educational purposes to support Northern Kentucky University's (the University) efforts to promote the development, implementation, and coordination of extramurally-sponsored and foundation-supported programs involving research, instruction, public service, including the administration of conservation easements, and other projects that further the mission of the University. The Research Foundation is a not-for-profit Kentucky corporation affiliated with the University and is included within the University's financial statements as a blended component unit.

Financial Highlights

The financial position of the Research Foundation remains in stable condition at June 30, 2022. Net position increased \$244,000 due to an increase in operating revenues. The Research Foundation continues to apply for grants and contracts that sponsors must award to 501(c)(3) entities. Operating income for the year increased by \$100,000.

Using the Financial Statements

The Research Foundation's financial report includes three financial statements: the statement of net position; the statement of revenues, expenses and changes in net position and the statement of cash flows. These financial statements and accompanying footnotes are prepared in accordance with Government Accounting Standards Board (GASB) principles, which establishes standards for external financial reporting for public colleges and universities. The Research Foundation adopted GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021, which requires fiduciary activities to be reported in the fiduciary fund financial statements of the basic financial statements. The Stream and Wetland Restoration fund held by the Research Foundation was determined to be a fiduciary activity and is reported separately in the fiduciary fund financial statements of the basic financial statements. The fiduciary activity is excluded from the condensed financial statements discussed below.

Statement of Net Position

The statement of net position reflects the financial position of the Research Foundation. This statement includes all assets, deferred outflows and inflows of resources, liabilities and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. A summarized comparison of the Research Foundation's assets, liabilities and net position at June 30, 2022 and 2021 follows:

Condensed Statements of Net Position (in thousands)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets	\$ 1,688	\$ 1,426
Total assets	<u>1,688</u>	<u>1,426</u>
LIABILITIES		
Current liabilities	<u>343</u>	<u>325</u>
Total liabilities	<u>343</u>	<u>325</u>
NET POSITION		
Restricted expendable	45	35
Unrestricted	<u>1,300</u>	<u>1,066</u>
Total net position	<u>\$ 1,345</u>	<u>\$ 1,101</u>

Assets

A \$262,000 increase in the Research Foundation's assets for the year ended June 30, 2022 occurred due to a rise in cash and accounts receivable balances.

Liabilities

The Research Foundation's liabilities increased by \$18,000 from June 30, 2021 to June 30, 2022, due to an increase in accounts payable and accrued liabilities.

Net Position

Net position represents the difference between the Research Foundation's total assets and total liabilities. Net position at June 30, 2022 totaled \$1,345,000, or 79.7 percent, of total assets. Restricted expendable net position increased by \$10,000 and unrestricted net position increased by \$234,000, from June 30, 2021 to June 30, 2022. This overall rise in net position resulted primarily from a rise in operating revenues.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB requires gifts, investment income and capital and nonexchange grants and contracts to be classified as nonoperating revenues. This statement is prepared on the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. A summarized comparison of the Research Foundation's revenues, expenses and changes in net position for the years ended June 30, 2022 and 2021 follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Grants and contracts	\$ 2,237	\$ 2,076
Recoveries of facilities and administrative costs	360	232
Total operating revenues	<u>2,597</u>	<u>2,308</u>
OPERATING EXPENSES		
Educational and general	<u>2,273</u>	<u>2,084</u>
Total operating expenses	<u>2,273</u>	<u>2,084</u>
Operating income	<u>324</u>	<u>224</u>
NONOPERATING REVENUES (EXPENSES)		
Noncapital transfers (to)/from the University	(115)	(120)
Gifts and grants revenues (expenses)	<u>35</u>	<u>51</u>
Net nonoperating revenues (expenses)	<u>(80)</u>	<u>(69)</u>
Income before other revenues, expenses, gains or losses	<u>244</u>	<u>155</u>
Capital transfers (to)/from the University	<u>-</u>	<u>-</u>
Total other revenues (expenses)	<u>-</u>	<u>-</u>
Increase (decrease) in net position	244	155
Net position, beginning of year	<u>1,101</u>	<u>946</u>
Net position, end of year	<u>\$ 1,345</u>	<u>\$ 1,101</u>

Operating and Nonoperating Revenues

Operating and nonoperating revenues totaled \$2,632,000 for the year ended June 30, 2022. The most significant sources of revenues for the Research Foundation are state and local grants and contracts, totaling \$1,425,000 or 54.9 percent, federal grants and contracts, totaling \$408,000 or 15.7 percent, and nongovernmental grants and contracts, totaling \$404,000 or 15.6 percent. A \$121,000 increase in administrative cost revenue related to the administration of the Stream and Wetland Restoration fund held by the Research Foundation and a \$7,000 rise in facilities and administrative costs recovered from grants and contracts resulting in an overall increase of \$128,000 in recoveries of facilities and administrative costs from 2021 to 2022.

Operating and Nonoperating Expenses

Operating and nonoperating expenses totaled \$2,388,000 for the year ended June 30, 2022. The primary categories of the Research Foundation's operating expenses for 2022 are public service, totaling \$1,909,000 or 84.0 percent, and research, totaling \$279,000 or 12.3 percent. Operating expenses increased \$189,000 from 2021 to 2022. This increase was attributable to a rise in grants and contracts expense related to public service.

Statement of Cash Flows

The statement of cash flows provides information about the Research Foundation's cash position by reporting the sources and uses of cash during the year. The statement of cash flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing and investing activities. The primary purpose of the statement of cash flows is to provide information about the cash receipts and cash payments made by the Research Foundation during the year that will allow financial statement readers to assess the entity's ability to generate future net cash flows and its ability to meet obligations as they become due. A comparative summary of the Research Foundation's statement of cash flows for the years ended June 30, 2022 and 2021 follows:

Condensed Statements of Cash Flows (in thousands)

	<u>2022</u>	<u>2021</u>
Net cash provided by operating activities	\$ 235	\$ 239
Net cash provided (used) by noncapital financing activities	<u>11</u>	<u>(118)</u>
Net increase in cash and cash equivalents	246	121
Cash and cash equivalents-beginning of year	<u>1,046</u>	<u>925</u>
Cash and cash equivalents-end of year	<u><u>\$ 1,292</u></u>	<u><u>\$ 1,046</u></u>

The Research Foundation's cash and cash equivalents increased by \$246,000 in 2022. Net cash provided by operating activities totaled \$235,000 for 2022 and \$239,000 for 2021. The sources of cash included in operating activities for the year ended June 30, 2022 were grants and contracts of \$1,952,000 and recoveries of facilities and administrative costs of \$360,000. The cash payments for operating activities for the year ended June 30, 2022 consisted of payments made to the University for the reimbursement of employee salaries and benefits, \$1,423,000 and payments to vendors, \$654,000. Net cash provided by noncapital financing activities totaled \$11,000 for 2022 and net cash used totaled \$118,000 for 2021. Noncapital cash transfers from the Research Foundation to the University totaled \$115,000 and \$120,000 in 2022 and 2021, respectively.

There was no activity related to capital and related financing in 2022 and 2021. Capital assets purchased by the Research Foundation are transferred to the University.

Capital Asset and Debt

The Research Foundation did not have any outstanding debt as of June 30, 2022 or 2021.

Factors Impacting Future Periods

The Office of Research, Grants and Contracts (RGC) is committed to supporting research and scholarly activities throughout the university community; to increasing external support for research, university programs and service activities while maintaining compliance with federal, state and institutional requirements. The RGC continues to streamline services to reduce the administrative burden on research faculty and to provide professional support in the development of local, regional and national research initiatives. Fiscal year 2022 data includes increases in proposals submitted and awards received as compared to the previous year. Current trends indicate NKU's research enterprise will experience increases in proposals, awards and funding over the next few years.

Northern Kentucky University Research Foundation, Inc.
A Component Unit of Northern Kentucky University
Statement of Net Position

June 30, 2022
(in thousands)

	2022
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,292
Accounts receivable, net	387
Due from Northern Kentucky University	-
Other current assets	9
Total current assets	1,688
Total Assets	1,688
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	218
Unearned revenue	106
Due to Northern Kentucky University	19
Total current liabilities	343
Total Liabilities	343
 NET POSITION	
Restricted expendable	45
Unrestricted	1,300
Total Net Position	\$ 1,345

See accompanying notes to the financial statements.

Northern Kentucky University Research Foundation, Inc.
A Component Unit of Northern Kentucky University
Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2022
(in thousands)

	2022
OPERATING REVENUES	
Federal grants and contracts	\$ 408
State and local grants and contracts	1,425
Nongovernmental grants and contracts	404
Recoveries of facilities and administrative costs	360
Total operating revenues	2,597
OPERATING EXPENSES	
Educational and general	
Instruction	16
Research	279
Public service	1,909
Academic support	11
Student services	34
Student aid	24
Total operating expenses	2,273
Operating income	324
NONOPERATING REVENUES (EXPENSES)	
Nonexchange grants and gifts	27
Noncapital transfers (to)/from the University	(115)
Gifts and grants revenues (expenses)	8
Net nonoperating revenues (expenses)	(80)
Income before other revenues, expenses, gains or losses	244
Increase in net position	244
NET POSITION	
Net position-beginning of year	1,101
Net position-end of year	\$ 1,345

See accompanying notes to the financial statements.

Northern Kentucky University Research Foundation, Inc.
A Component Unit of Northern Kentucky University
Statement of Cash Flows
For the Year Ended June 30, 2022
(in thousands)

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Grants and contracts	\$ 1,952
Payments to vendors	(654)
Salaries and benefits reimbursement to Northern Kentucky University	(1,423)
Recoveries of facilities and administrative costs	360
Net cash provided by operating activities	235
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts and grants for other than capital purposes	35
(Repayment) advance (to)/from the University	78
(Repayment) advance (to)/from Agencies	13
Noncapital transfers (to)/from the University	(115)
Net cash provided by noncapital financing activities	11
NET INCREASE IN CASH AND CASH EQUIVALENTS	246
Cash and cash equivalents-beginning of year	1,046
Cash and cash equivalents-end of year	\$ 1,292
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 324
Changes in assets and liabilities:	
Accounts receivable, net	(86)
Accounts payable and accrued liabilities	196
Unearned revenue	(197)
Net cash provided by operating activities	\$ 237

See accompanying notes to the financial statements.

Northern Kentucky University Research Foundation
A Component Unit of Northern Kentucky University
Statement of Fiduciary Net Position
Custodial Funds
As of June 30, 2022
(in thousands)

	2022
ASSETS	
Cash and cash equivalents	\$ 15,484
Total assets	15,484
 LIABILITIES	
Accounts payable and other liabilities	45
Total liabilities	45
 NET POSITION	
Restricted for:	
Individuals, organizations and other governments	15,439
Total net position	\$ 15,439

See accompanying notes to the financial statements

Northern Kentucky University Research Foundation
A Component Unit of Northern Kentucky University
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022
(in thousands)

	2022
ADDITIONS	
In-lieu fees	\$ 4,674
Investment income	33
Total additions	4,707
 DEDUCTIONS	
Contract expense	1,187
Administrative fees	280
Total deductions	1,467
Net increase (decrease) in fiduciary net position	3,240
Net position - beginning	12,199
Net position - ending	\$ 15,439

See accompanying notes to the financial statements

Northern Kentucky University Research Foundation, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Description of the Organization

Northern Kentucky University Research Foundation, Inc. (the “Research Foundation”) is organized for educational purposes, more specifically to support Northern Kentucky University’s (the “University”) efforts to promote the development, implementation, and coordination of extramurally-sponsored and foundation-supported programs involving research, instruction, public service, including the administration of conservation easements and other projects that further the mission of the University. The Research Foundation is a not-for-profit Kentucky corporation affiliated with the University. The Research Foundation is included within the University’s financial statements as a blended component unit.

Note 2 – Summary of Significant Accounting Policies

The accompanying financial statements of the Research Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Research Foundation prepares its financial statements as a business-type activity (BTA) in conformity with applicable pronouncements of GASB.

In accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* (GASB 35) and subsequent standards issued by GASB, the Research Foundation has elected to report as an entity engaged in BTAs. BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services. GASB 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted:**
 - Nonexpendable* – Net position subject to externally imposed stipulations that they be maintained permanently by the Research Foundation.
 - Expendable* – Net position whose use by the Research Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the Research Foundation pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Net position whose use by the Research Foundation is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

The financial statement presentation required by GASB is intended to provide a comprehensive, entity-wide perspective of the Research Foundation’s assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

Accrual Basis

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Research Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital asset purchases, equipment with a unit cost of \$5,000 or more and having an estimated useful life of greater than one year, are transferred to the University. For the year ended June 30, 2022, there was no activity related to capital assets. Capital assets purchased by the Research Foundation are transferred to the University and recorded as property of the University.

Unearned Revenue

Unearned revenue includes amounts received from sponsors of grants and contracts that have not yet been earned. Revenue from the grants and contracts is earned as qualifying expenses are incurred.

Restricted Asset Spending Policy

The Research Foundation's policy states that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

Operating Activities

The Research Foundation defines operating activities, as reported on the statement of revenues, expenses and changes in net position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the Research Foundation's expenses are from exchange transactions. Certain revenues relied upon for operations, such as gifts and investment income, are recorded as nonoperating revenues, in accordance with GASB 35.

Income Tax Status

The Research Foundation is exempt from federal income tax under the Internal Revenue Code as a 501(c)(3) organization.

Note 3 – Cash, Cash Equivalents and Investments

Cash balances of the Research Foundation are included in bank accounts administered by the University in accordance with the University's investment policy. Details of accounting transactions affecting cash are maintained in such a manner as to ensure an appropriate segregation of amounts maintained by each entity.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Research Foundations' deposits or collateral securities may not be returned. As a means of limiting exposure to custodial credit risk, as required by the University's investment policy, these deposits and investments were covered by federal depository insurance or by collateral held in the University's name or in the Commonwealth of Kentucky's name.

Note 4 – Transactions with Northern Kentucky University

All salaries, wages and benefits represent charges for University employees. In addition, the University provides certain facilities and administrative services to the Research Foundation in exchange for a share of the facilities and administrative cost recoveries per the management agreement between the University and the Research Foundation. Noncapital transfers from the Research Foundation to the University totaled \$115,000 for the fiscal year.

Note 5 – Accounts Receivable

Accounts receivable as of June 30, 2022 totaled \$387,000 primarily represented by reimbursement receivables from sponsors for expenditures for grants and contracts. There were no noncurrent accounts receivable as of June 30, 2022. Based upon management’s assessment, there was no need to establish an allowance for bad debts at June 30, 2022. Accounts receivable as of June 30, 2022 are as follows (in thousands):

	<u>2022</u>
Grants and contracts	\$ 380
Accounts receivable	<u>7</u>
Total	<u><u>\$ 387</u></u>

Note 6 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2022 are as follows (in thousands):

	<u>2022</u>
Payable to vendors and contractors	\$ 207
Accrued expenses, primarily payroll	<u>11</u>
Total	<u><u>\$ 218</u></u>

Note 7 – Unearned Revenue

Unearned revenue as of June 30, 2022 totaled \$106,000 predominately represented by funds advanced for state and local grants and contracts, and nongovernmental grants and contracts.

Note 8 – Operating Expenses by Natural Classification

The Research Foundation’s operating expenses by natural classification are as follows for the year ended June 30, 2022 (in thousands):

	<u>2022</u>
Salaries and wages	\$ 1,202
Employee benefits	224
Supplies and other services	823
Student scholarships and financial aid	24
Total	<u>\$ 2,273</u>

Note 9 – Risk Management

The Research Foundation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by (1) the State Fire and Tornado Insurance Fund (the Fund) or), (2) Sovereign Immunity and the Kentucky Claims Commission, or (3) in the case of risks not covered by the Fund and Sovereign Immunity, commercial insurance, participation in insurance risk retention groups or self-insurance.

The Fund covers losses to property from fire, wind, earthquake, flood and other named perils between \$5,000 and \$1,000,000 per occurrence. Losses in excess of \$1,000,000 are insured by commercial carriers up to \$1.5 billion per occurrence, on an actual cost basis. Claims against educators' errors and omissions and wrongful acts are insured through a reciprocal risk retention group. There have been no significant reductions in insurance coverage in 2022. Settlements have not exceeded insurance coverage since the inception of the Research Foundation.

Note 10 – Fiduciary Funds

The fiduciary funds held by the Research Foundation on behalf of The Stream and Wetland Restoration Fund are managed in accordance with a memorandum of agreement with the U.S. Army Corps of Engineers (Corps). At June 30, 2022, the fiduciary funds managed by the Research Foundation are included in bank accounts administered by the University in accordance with the memorandum of agreement with the Corps. These deposits were covered by federal depository insurance or by collateral held by the pledging bank’s agents in the University’s name.

Northern Kentucky University

Independent Accountant's Report on Applying Agreed-Upon
Procedures Performed on the Intercollegiate Athletic Program
as Required by NCAA Bylaw 3.2.4.17

June 30, 2021

Northern Kentucky University

June 30, 2021

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Ashish K. Vaidya, President
Northern Kentucky University
Highland Heights, Kentucky

We have performed the procedures enumerated in the attachment to this report on specified elements, accounts, and items of Northern Kentucky University's (University) statement of revenues and expenses (Statement) of the Department of Athletics for the year ended June 30, 2021. The management of the University is responsible for the Statement.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the University in complying with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in the attachment to this report.

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

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

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

BKD, LLP

Cincinnati, Ohio
January 12, 2022

Northern Kentucky University

Agree-Upon Procedures For the Year Ended June 30, 2021

Statement of Revenues and Expenses

1. We obtained the Statement, as prepared by the Department of Athletics of the University (Athletics), for the year ended June 30, 2021. We compared the revenue and expense amounts reported on the Statement which were greater than 4.0% of total operating revenues or total operating expenses, respectively, to the supporting schedules prepared by management of the University, noting they agreed without exception.
2. We compared a sample (see items 4-47 below) of operating revenues and operating expenses obtained from the above operating revenue and expense supporting schedules to adequate supporting schedules. Excluding item 25 below, no exceptions were noted.
3. We compared each major revenue category greater than 10% of total operating revenues and each major expense category greater than 10% of total operating expenses on the Statement to prior year amounts and current year budgeted amounts. We obtained and documented an understanding of any significant variances (greater than a 10% change) from prior year amounts and current year budgeted amounts and noted the following:

Actual Revenue and Expenses as Compared to Prior Year

- No variances greater than 10% from prior year amounts were noted for the major revenue and expense categories.

Actual Revenue and Expenses to Current Year Budget

- We discussed with Dan McIver, Deputy Athletic Director, the process for which budget to actual financial data is reviewed. The University's management represents that there is no formal review of budget versus actual amounts based on the NCAA reporting line items. Athletics financial activities are budgeted a set amount during the University's budgeting process. Athletics will spend amounts based on needs during the year. Therefore, all variances from budget to actual would be 100%, since there is no formal budget based on NCAA reporting line items.

Revenues

4. *Ticket Sales* - We inquired of the University's management who represented there were no revenues from ticket sales during the year ended June 30, 2021.
5. *Direct State or Other Government Support* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
6. *Student Fees* - We inquired as to whether student fees are allocated to Athletics, and the University's management represented there are no restricted student fee allocations from the University to Athletics. All allocations are unrestricted and reported as direct institutional support.

7. *Direct Institutional Support* - We compared direct institutional support recorded by the University with institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated amounts, noting no exceptions.
8. *Transfers Back to the Institution* - We inquired of the University's management who represented there were no transfers back to the institution during the year ended June 30, 2021.
9. *Indirect Institutional Support* - We compared the indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated totals, noting no exceptions.
10. *Indirect Institutional Support - Athletic Faculties Debt Service, Lease and Rental Fees* - We inquired of the University's management who represented there were no indirect institutional support - athletics debt service, lease and rental fees during the year ended June 30, 2021.
11. *Guarantees* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
12. *Contributions* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
13. *In-Kind* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
14. *Compensation and Benefits Provided by a Third Party* - We inquired of the University's management as to whether Athletics received any revenues or contributions to specifically support compensation or benefits from outside organizations for the year ended June 30, 2021, and they represented there were no compensation or benefits provided by third parties.
15. *Media Rights* - We inquired of the University's management who represented there were no media rights revenues during the year ended June 30, 2021.
16. *NCAA Distributions* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
17. *Conference Distributions - Non-Media and Non-Football Bowl* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
18. *Conference Distributions of Football Bowl Generated Revenue* - We inquired of the University's management who represented there were no conference distributions for bowls during the year ended June 30, 2021.
19. *Program Sales, Novelty, Parking and Concession Sales* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
20. *Royalties, Licensing, Advertisements and Sponsorships* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
21. *Sports Camps Revenues* - We inquired of the University's management who represented there were no revenues from sports camps during the year ended June 30, 2021.
22. *Athletics Restricted Endowment and Investments Income* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.

23. *Other Operating Revenue* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
24. *Football Bowl Revenues* - We inquired of the University's management who represented there were no bowl revenues during the year ended June 30, 2021.

Expenses

25. *Athletic Student Aid* - We obtained the detailed listing of athletic student aid and performed the following procedures:
 - a. We compared the detail amounts of athletic student aid to the total per the Statement and to the NCAA Membership Financial Reporting System, noting no exceptions.
 - b. As the University utilized the NCAA Compliance Assistance software, we selected a sample of 10% of student athletes for these terms. A total sample of 21 was selected from the listings of the University's student athlete aid recipients. We obtained the individual student account detail for each selection and compared the total aid per student's account detail to the student's aid detail in the NCAA's Membership Financial Reporting System noting 8 of the 21 students had differences ranging from \$(316) to \$3,049. The aggregate difference was \$14,758. Management represented to us the following explanations for these differences:
 - i. Book expense awards were reported at \$800 automatically for the student in the System, whereas these expenses are reported using actual expense amounts in the student account detail.
 - ii. Course fees which can occur throughout the semester were not subsequently adjusted and do not change the Revenue Distribution Equivalency Award.
 - iii. Cost of attendance being incorrectly included in the Full Athletic Grant Amount.
 - iv. Differences related to an inappropriate coding of an athletics endowment scholarship in the Compliance Assistance Software as athletics aid is exempt from revenue distribution.
 - c. We compared the student aid information for each student selected above to their information in the NCAA Membership Financial Reporting System utilizing required NCAA guidelines, including the following, noting no exceptions:
 - i. The equivalency value for each student athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported as the numerator and the full grant amount, which is the total cost for tuition, fees, course-related books, room and board for an academic year as the denominator.
 - ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
 - iii. Other expenses related to attendance (also known as cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
 - iv. The full grant amount should always be the full cost of tuition for an academic year, not semester.

- v. Student-athletes are to be counted once and should not receive a revenue distribution equivalency value greater than 1.00.
 - vi. Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.
 - vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
 - viii. Institutions providing grants to student-athletes labeled as "exhausted eligibility (fifth-year)" or "medical" receive credit in the grants-in-aid component.
 - ix. The athletics and equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (Bylaw 15.5.3.1).
 - x. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student athlete aid for revenue distribution purposes.
 - xi. All equivalency calculations should be rounded to two decimal places.
 - xii. If a selected student received a Pell Grant, the value of the grant should not be included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
 - xiii. If a selected student received a Pell Grant, the student's grant should be included in the total number and total dollar value of Pell Grants reported for revenue distribution purposes in the NCAA Membership Financial Reporting System.
26. *Guarantees* - We inquired of the University's management who represented there were no expenses related to guarantees during the year ended June 30, 2021.
27. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* - We obtained a listing of coaches employed by the University and selected a sample of three coaches, which included men's baseball, men's basketball and women's basketball coaches. We compared and agreed the financial terms and conditions of their contracts, specifically the salaries, benefits and bonuses, for each selection to the related coaching salaries, benefits and bonuses recorded in the Statement and noted no exceptions. We obtained payroll summary registers for the year ended June 30, 2021, for each selection and agreed them to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement and noted no exceptions.
28. *Coaching Salaries, Benefits and Bonuses Paid by a Third Party* - We inquired of the University's management as to whether there were any coaching compensation or benefits paid by a third party and they represented there were no other compensation or benefits provided by third parties.

29. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* - We selected a sample of three support staff/administrative personnel employed by the University during the reporting period. We obtained reporting period summary payroll registers for each selection. We compared and agreed related summary payroll registers to the related support staff/administrative salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period and recalculated totals without exception.
30. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party* - We inquired of the University's management as to whether there were any support staff/administrative salaries, benefits or bonuses paid by a third party and they represented there were no support staff/administrative compensation or benefits provided by third parties.
31. *Severance Payments* - We inquired of the University's management who represented there were no severance payments during the year ended June 30, 2021.
32. *Recruiting* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
33. *Team Travel* - We obtained the team travel policies for Athletics and compared them to the NCAA policies. No exceptions were noted. We obtained general ledger detail of team travel expenses and compared to amounts reported in the Statement without exception.
34. *Sports Equipment, Uniforms and Supplies* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
35. *Game Expenses* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
36. *Fundraising, Marketing and Promotion* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
37. *Sports Camp Expenses* - We inquired of the University's management who represented there were no expenses related to sports camps during the year ended June 30, 2021.
38. *Spirit Groups* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
39. *Athletic Facilities Debt Service, Leases and Rental Fees* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
40. *Direct Overhead and Administrative Expenses* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
41. *Indirect Institutional Support* - We compared the indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated totals without exception.
42. *Medical Expenses and Insurance* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
43. *Memberships and Dues* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
44. *Student-Athlete Meals (non-travel)* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.

45. *Other Operating Expenses* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.
46. *Football Bowl Expenses* - We inquired of the University's management who represented there were no bowl expenses during the year ended June 30, 2021.
47. *Football Bowl Expenses for Coaching Compensation/Bonuses* - We inquired of the University's management who represented there were no bowl expenses for coaching compensation/bonuses during the year ended June 30, 2021.

Additional Minimum Agreed Upon Procedures

48. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University, noting no discrepancies. Additionally, we compared grants-in-aid revenue distribution equivalents to prior year's submission noting no variance greater than +/- 4%.
49. We obtained the University's Sports Sponsorship and Demographics Forms Report for the fiscal year and noted that the countable sports reported by the University met the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement, noting no discrepancies. However, we did note that men's and women's cross country, men's and women's golf, men's soccer, men's and women's track (indoor), men's track (outdoor), women's basketball, and women's volleyball had fewer countable contests than the minimum required due to the COVID-19 global pandemic. These were not reported as exceptions in accordance with the blanket waiver for Fall sports provided by the NCAA. Additionally, we compared the current year number of sports sponsored to prior year, noting no variances.
50. We compared countable sports identified per number 49 above with those per the NCAA Membership Financial Reporting System, noting no discrepancies.
51. We agreed the total number of student-athletes who received a Pell Grant award during the academic year and the total value of these Pell Grants reported in the System to a report generated from the University's student financial aid system. Additionally, we compared the current year Pell Grant totals to the prior year reported total per the submission noting no variances greater than 20 grants.
52. We inquired of the University's management who represented there were no changes since prior year relating to the procedures and internal accounting controls unique to the Department of Athletics.

Other Reporting Items

53. *Excess Transfers to Institution and Conference Re-alignment Expenses* - We inquired of the University's management who represented there were no conference re-alignment expenses during the year ended June 30, 2021.
54. *Total Athletics Related Debt* - We inquired of the University's management who represented there was no athletic related capital debt during the year ended June 30, 2021.
55. *Total Institutional Debt* - We agreed the total outstanding debt of the University to supporting documentation and the University's audited financial statements, without exception.

56. *Value of Athletics Dedicated Endowments* - We inquired of the University's management and obtained a schedule of athletic endowments. We noted all athletic related funds are pooled within multiple funds along with many other University funds. We agreed the total fair market value of University endowments to supporting documentation, the University's general ledger and the audited financial statements, without exception, described at item 57 below.
57. *Value of Institutional Endowments* - We agreed the total fair market value of University endowments to supporting documentation, the University's general ledger and the audited financial statements, without exception.
58. *Total Athletics Related Capital Expenditures* - We noted this line item was below the prescribed threshold of 4.0%, thus, no additional procedures were performed.

**Northern Kentucky University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Year Ended June 30, 2021**

	MENS BASKETBALL	WOMENS BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL
OPERATING REVENUE:					
Direct State or Other Government Support	\$ 7,935	\$ 8,031	\$ 6,888	\$ 79,616	\$ 102,470
Direct Institutional Support	1,711,748	1,024,288	4,151,869	2,019,205	8,907,110
Indirect Institutional Support	-	-	-	2,682,701	2,682,701
Guarantees	35,000	10,000	250,000	-	295,000
Contributions	10,574	7,685	51,637	233,367	303,263
In-Kind	23,925	11,945	108,394	53,085	197,349
NCAA Distributions	-	-	-	328,253	328,253
Conference Distributions - Non-Media and Non-Football Bowl	-	-	-	150,000	150,000
Program, Novelty, Parking & Concession Sales	-	-	-	5,401	5,401
Royalties, Licensing, Advertisement & Sponsorships	6,421	-	-	187,296	193,717
Athletics Restricted Endowment & Investments Income	19,407	21,397	61,093	10,214	112,111
Other Operating Revenue	-	-	15,945	42,147	58,092
Total Operating Revenue	<u>1,815,010</u>	<u>1,083,346</u>	<u>4,645,826</u>	<u>5,791,285</u>	<u>13,335,467</u>
OPERATING EXPENDITURES:					
Athletics Student Aid	314,015	325,616	2,259,762	21,880	2,921,273
Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	913,521	483,402	1,404,356	-	2,801,279
Support Staff/Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	154,274	35,349	2,700	2,022,958	2,215,281
Recruiting	9,543	6,280	18,814	-	34,637
Team Travel	189,123	90,575	318,219	-	597,917
Sports Equipment, Uniforms and Supplies	59,913	44,857	331,503	14,076	450,349
Game Expenses	136,019	87,821	81,577	21,154	326,571
Fund Raising, Marketing and Promotion	1,022	-	70	150,085	151,177
Spirit Groups	-	-	-	31,346	31,346
Athletics Facilities Debt Service, Leases & Rental Fees	16,297	7,561	56,456	124,670	204,984
Direct Overhead & Administrative Expenses	6,775	5,679	35,441	45,126	93,021
Indirect Institutional Support	-	-	-	2,682,701	2,682,701
Medical Expenses & Insurance	13,740	9,724	41,203	213,999	278,666
Membership & Dues	-	923	4,560	9,778	15,261
Student-Athlete Meals (non-travel)	57,081	27,829	37,339	-	122,249
Other Operating Expenses	68,075	56,833	51,086	211,948	387,942
Total Operating Expenditures	<u>1,939,398</u>	<u>1,182,449</u>	<u>4,643,086</u>	<u>5,549,721</u>	<u>13,314,654</u>
Excess/(Deficiency) of Revenues Over/(Under) Expense	<u>\$ (124,388)</u>	<u>\$ (99,103)</u>	<u>\$ 2,740</u>	<u>\$ 241,564</u>	<u>\$ 20,813</u>

See Notes to Statement of Revenues and Expenses

Northern Kentucky University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2021

Note 1: Summary of Presentation Policies

The amounts in the accompanying statement of revenues and expenses were obtained from Northern Kentucky University's (University) general ledger, which is maintained on an accrual basis. All revenues and expenses directly related to various sports were disclosed as such, except items which were not applicable. The primary purpose of the agreed-upon procedures report is to ensure the president of the University is made aware of all financial activity (both internal and external) for athletics purposes and to assist the University in exercising control over the financial activity made by or on behalf of the intercollegiate athletics program.

Note 2: Contributions From the Northern Kentucky University Foundation, Inc. ("Foundation")

The Foundation receives gifts and contributions that are restricted for the related athletics programs. These funds are used when additional funds are needed for current expenses and/or special projects. Foundation revenues are recorded in the Statement in an amount equal to the amount expended during the fiscal year. There were no donors who contributed more than 10% of the total contributions received.

Note 3: Capital Assets

Assets acquired, depreciated and disposed of for athletic purposes follow the University's capitalization policy. All capital assets, as defined by University policy, are recorded at cost at the date of acquisition, or, if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to functional expense categories. Assets under capital leases are amortized over the estimated useful life of the asset, or the lease term, whichever is shorter. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter Social Security numbers on this form as it may be made public.
- ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2020

Open to Public Inspection

A For the 2020 calendar year, or tax year beginning 07/01, 2020, and ending 06/30, 2021

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.				D Employer identification number 23-7116528	
	Doing Business As				E Telephone number (859) 572-5129	
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite			
	LUCAS ADMINISTRATIVE CENTER		822			
City or town, state or province, country, and ZIP or foreign postal code HIGHLAND HEIGHTS, KY 41099				G Gross receipts \$ 10,150,079.		
F Name and address of principal officer: JASON O. JACKMAN LUCAS ADMIN CENTER, HIGHLAND HEIGHTS, KY 41099				H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
				H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
				If "No," attach a list. (see instructions)		
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: ▶ FOUNDATION.NKU.EDU				H(c) Group exemption number ▶
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶				L Year of formation: 1970		M State of legal domicile: KY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SUPPORT NORTHERN KENTUCKY UNIVERSITY THROUGH PROVISION OF SCHOLARSHIPS, FINANCIAL AID, AND OTHER SUPPORT PROGRAMS.			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3 Number of voting members of the governing body (Part VI, line 1a)	3		70.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		70.
	5 Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5		0.
	6 Total number of volunteers (estimate if necessary)	6		68.
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a		-138,759.
b Net unrelated business taxable income from Form 990-T, line 34	7b		0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)		9,431,602.	4,892,851.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		4,596,359.	3,310,042.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		811,551.	493,950.
			14,839,512.	8,696,843.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		4,885,077.	5,519,092.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 63,017.			
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		3,255,276.	2,106,303.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		8,140,353.	7,625,395.	
19 Revenue less expenses. Subtract line 18 from line 12		6,699,159.	1,071,448.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)		Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)		122,722,811.	152,385,239.
	22 Net assets or fund balances. Subtract line 21 from line 20.		15,556,349.	16,806,583.
		107,166,462.	135,578,656.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	ERIC C. GENTRY Type or print name and title	EXECUTIVE DIRECTOR

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	AARON HERSHBERGER	<i>Aaron D. Hershberger</i>	5/5/2022		P00961884
	Firm's name ▶ BKD, LLP	Firm's EIN ▶ 44-0160260		Phone no. 513-621-8300	
Firm's address ▶ 312 WALNUT STREET, SUITE 3000 CINCINNATI, OH 45202					

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2020)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 3,182,512. including grants of \$ 3,182,512.) (Revenue \$)

STUDENT FINANCIAL AID

4b (Code:) (Expenses \$ 808,823. including grants of \$ 627,325.) (Revenue \$)

ACADEMIC SUPPORT

4c (Code:) (Expenses \$ 734,162. including grants of \$ 528,034.) (Revenue \$)

INSTITUTIONAL SUPPORT

4d Other program services (Describe on Schedule O.) ATTACHMENT 2 (Expenses \$ 2,118,942. including grants of \$ 1,181,221.) (Revenue \$)

4e Total program service expenses 6,844,439.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> See instructions?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments-other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments-program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?.		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV.</i>		X
28c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee reporting, tax returns, business income, foreign accounts, prohibited transactions, and charitable trusts.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (70), 1b (70), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed KY,
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RICHARD A. BOEHNE BOARD MEMBER	.50 0.	X					0.	0.	0.	
(2) MARTIN C. BUTLER AT LARGE	2.00 0.	X		X			0.	0.	0.	
(3) GARREN COLVIN BOARD MEMBER	.50 0.	X					0.	0.	0.	
(4) BRENT M. COOPER BOARD MEMBER	.50 0.	X					0.	0.	0.	
(5) NORMAND DESMARAIS BOARD MEMBER	.50 0.	X					0.	0.	0.	
(6) KAREN A. FINAN BOARD MEMBER	.50 0.	X					0.	0.	0.	
(7) ERIC C. GENTRY EXECUTIVE DIRECTOR	10.00 0.	X		X			0.	0.	0.	
(8) KEVIN E. GESSNER TREASURER	2.00 0.	X		X			0.	0.	0.	
(9) MICHELE HARGIS BOARD MEMBER	.50 0.	X					0.	0.	0.	
(10) JASON O. JACKMAN PRESIDENT	2.00 0.	X		X			0.	0.	0.	
(11) BARBARA L. MORAN-JOHNSON BOARD MEMBER	.50 0.	X					0.	0.	0.	
(12) JACK G. KENKEL, JR. BOARD MEMBER	.50 0.	X					0.	0.	0.	
(13) JACQUELINE N. LEVOIR BOARD MEMBER	.50 0.	X					0.	0.	0.	
(14) JOHN M. LUCAS BOARD MEMBER	.50 0.	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) FRED A. MACKE, JR. BOARD MEMBER	.50 0.	X					0.	0.	0.	
(16) H. MCGUIRE RILEY BOARD MEMBER	.50 0.	X					0.	0.	0.	
(17) TIMOTHY SCHIGEL BOARD MEMBER	.50 0.	X					0.	0.	0.	
(18) ROSEMARY SCHLACHTER BOARD MEMBER	.50 0.	X					0.	0.	0.	
(19) JULIE A. SCHNEIDER BOARD MEMBER	.50 0.	X					0.	0.	0.	
(20) TRACY L. SCHWEGMANN BOARD MEMBER	.50 0.	X					0.	0.	0.	
(21) CHAD SCOTT BOARD MEMBER	.50 0.	X					0.	0.	0.	
(22) NATHANIEL G. SMITH BOARD MEMBER	.50 0.	X					0.	0.	0.	
(23) ASHISA VAIDYA BOARD MEMBER	.50 0.	X					0.	0.	0.	
(24) THOMAS WIEDEMANN VICE PRESIDENT	2.00 0.	X		X			0.	0.	0.	
(25) KARA S. WILLIAMS BOARD MEMBER	.50 0.	X					0.	0.	0.	
1b Sub-total							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							0.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0.**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **1**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) MARY E. ZALLA SECRETARY	2.00 0.	X		X				0.	0.	0.
(27) B. CHARLES ALEXANDER EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(28) J. DAVID BENDER EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(29) HERBERT BOOTH EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(30) LEON BOOTHE EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(31) GARY BRICKING EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(32) EMERSON BRUMBACK EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(33) PAUL CHELLGREN EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(34) THOMAS DONNELLY EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(35) ERIC ERNST EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(36) EVA FARRIS EMERITUS MEMBER	.10 0.	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 0.

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(37) ROBERT FITZPATRICK, JR. EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(38) JAMES FLOOD EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(39) JUDITH GIBBONS EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(40) PAUL GIBSON EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(41) MERWIN GRAYSON EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(42) DANIEL GRONECK EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(43) MICHAEL HAMMONS EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(44) KENNETH HARPER EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(45) GARY HERFEL EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(46) MARCIA HOSEA EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(47) JAMES HUFF EMERITUS MEMBER	.10 0.	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0.**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0.**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) BARRY KIENZLE EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(49) KENNETH LUCAS EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(50) DARLENE MARTIN EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(51) ROGER MEADE EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(52) RICHARD MURGATROYD EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(53) C. ANDREW NEAGLE EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(54) JAMES POSTON, JR. EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(55) JAMIE RAMSEY EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(56) ROGERS REDDING EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(57) THOMAS SAELINGER EMERITUS MEMBER	.10 0.	X						0.	0.	0.
(58) RUTH SELIGMAN DOERING EMERITUS MEMBER	.10 0.	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0.**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0.**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(59) KEVIN SHEEHAN EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(60) GREGORY SHUMATE EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(61) HENRY STEPHENS, JR. EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(62) DIANE STICKLEN-JORDAN EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(63) CAROL SWARTS EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(64) WILLIAM VERMILLION EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(65) JAMES VOTRUBA EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(66) ANDRA WARD EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(67) BRENDA WILSON EMERITUS MEMBER	.10 0.	X					0.	0.	0.	
(68) KRIS KNOCHELMANN EX-OFFICIO MEMBER	.10 0.	X					0.	0.	0.	
(69) GARY MOORE EX-OFFICIO MEMBER	.10 0.	X					0.	0.	0.	
1b Sub-total							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0.**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0.**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c	83,546.				
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	12,500.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,796,805.				
	g	Noncash contributions included in lines 1a-1f.	1g	\$ 697,089.				
	h	Total. Add lines 1a-1f			4,892,851.			
	Program Service Revenue	2a	Business Code					
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f			0.			
Other Revenue		3	Investment income (including dividends, interest, and other similar amounts).			3,631,124.	-138,759.	3,769,883.
	4	Income from investment of tax-exempt bond proceeds			0.			
	5	Royalties			0.			
	6a	Gross rents	(i) Real	142,847.				
			(ii) Personal					
			6b	Less: rental expenses				
	6c	Rental income or (loss)		142,847.				
	d	Net rental income or (loss)			142,847.		142,847.	
	7a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other		1,072,500.			
			7b	Less: cost or other basis and sales expenses		1,361,317.	32,265.	
	7c	Gain or (loss)		-1,361,317.	1,040,235.			
	d	Net gain or (loss)			-321,082.		-321,082.	
	8a	Gross income from fundraising events (not including \$ 83,546. of contributions reported on line 1c). See Part IV, line 18		72,271.				
			8b	Less: direct expenses		59,654.		
c			Net income or (loss) from fundraising events.			12,617.		12,617.
9a	Gross income from gaming activities. See Part IV, line 19		0.					
		9b	Less: direct expenses		0.			
		c	Net income or (loss) from gaming activities.			0.		0.
10a	Gross sales of inventory, less returns and allowances		0.					
		10b	Less: cost of goods sold		0.			
		c	Net income or (loss) from sales of inventory.			0.		0.
Miscellaneous Revenue	11a	MISCELLANEOUS REVENUE	Business Code	900099	338,486.		338,486.	
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a-11d				338,486.		
12	Total revenue. See instructions				8,696,843.	-138,759.	3,942,751.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	5,519,092.	5,519,092.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	0.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0.			
9 Other employee benefits	0.			
10 Payroll taxes	0.			
11 Fees for services (nonemployees):	0.			
a Management				
b Legal	5,434.	4,787.	419.	228.
c Accounting	39,790.	35,054.	3,069.	1,667.
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	601,909.		601,909.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	238,275.	209,916.	18,378.	9,981.
12 Advertising and promotion	111,984.	98,656.	8,637.	4,691.
13 Office expenses	432,348.	380,892.	33,346.	18,110.
14 Information technology	10,293.	9,068.	794.	431.
15 Royalties	0.			
16 Occupancy	23,791.	20,959.	1,835.	997.
17 Travel	2,617.	2,306.	202.	110.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	12,639.	11,135.	975.	529.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	0.			
23 Insurance	15,565.	13,713.	1,200.	652.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MISCELLANEOUS	611,658.	538,861.	47,176.	25,621.
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	7,625,395.	6,844,439.	717,939.	63,017.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,507,828.	1	11,995,695.
	2 Savings and temporary cash investments.	498,914.	2	53,220.
	3 Pledges and grants receivable, net	6,544,892.	3	4,926,268.
	4 Accounts receivable, net.	386,931.	4	100,914.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B).	0.	6	0.
	7 Notes and loans receivable, net	65,103.	7	64,366.
	8 Inventories for sale or use	0.	8	0.
	9 Prepaid expenses and deferred charges	129,898.	9	206,733.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 531,209.		
	b Less: accumulated depreciation.	10b 208,028.		
		355,446.	10c	323,181.
	11 Investments - publicly traded securities.	73,832,767.	11	98,638,299.
	12 Investments - other securities. See Part IV, line 11	32,401,032.	12	36,076,563.
	13 Investments - program-related. See Part IV, line 11.	0.	13	0.
	14 Intangible assets	0.	14	0.
15 Other assets. See Part IV, line 11	0.	15	0.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	122,722,811.	16	152,385,239.	
Liabilities	17 Accounts payable and accrued expenses.	395,088.	17	242,406.
	18 Grants payable	0.	18	0.
	19 Deferred revenue.	674,285.	19	675,035.
	20 Tax-exempt bond liabilities.	0.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D.	0.	21	0.
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	2,000,000.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties.	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	12,486,976.	25	15,889,142.
	26 Total liabilities. Add lines 17 through 25.	15,556,349.	26	16,806,583.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions.	4,677,421.	27	6,649,303.
	28 Net assets with donor restrictions.	102,489,041.	28	128,929,353.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund.		30	
	31 Retained earnings, endowment, accumulated income, or other funds.		31	
	32 Total net assets or fund balances	107,166,462.	32	135,578,656.
33 Total liabilities and net assets/fund balances.	122,722,811.	33	152,385,239.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,696,843.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,625,395.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,071,448.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	107,166,462.
5	Net unrealized gains (losses) on investments	5	27,340,746.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	135,578,656.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits . . .		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2020

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**.
Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5,006,804.	5,100,508.	5,682,804.	9,504,172.	4,892,851.	30,187,139.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3.	5,006,804.	5,100,508.	5,682,804.	9,504,172.	4,892,851.	30,187,139.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						559,343.
6 Public support. Subtract line 5 from line 4						29,627,796.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
7 Amounts from line 4.	5,006,804.	5,100,508.	5,682,804.	9,504,172.	4,892,851.	30,187,139.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	1,858,301.	2,711,394.	3,066,903.	3,099,663.	3,773,971.	14,510,232.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	399,903.	422,638.	565,478.	500,625.	351,103.	2,239,747.
11 Total support. Add lines 7 through 10						46,937,118.

12 Gross receipts from related activities, etc. (see instructions) **12**

13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f))	14	63.12%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	71.93%

16a 33 1/3% support test - 2020. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization.

b 33 1/3% support test - 2019. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here**. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization.

b 10%-facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and **stop here**. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization.

18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
 If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5.						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f)).	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2020. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .

b 33 1/3% support tests - 2019. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described in line 11a above?		
c A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>			
b Did the activities described in line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>			
3 Parent of Supported Organizations. Answer lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No," provide details in Part VI.</i>			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):	1e	
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2020 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2020	(iii) Distributable Amount for 2020
1	Distributable amount for 2020 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3	Excess distributions carryover, if any, to 2020			
a	From 2015			
b	From 2016			
c	From 2017			
d	From 2018			
e	From 2019			
f	Total of lines 3a through 3e			
g	Applied to underdistributions of prior years			
h	Applied to 2020 distributable amount			
i	Carryover from 2015 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4	Distributions for 2020 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2020 distributable amount			
c	Remainder. Subtract lines 4a and 4b from line 4.			
5	Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6	Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7	Excess distributions carryover to 2021. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2016			
b	Excess from 2017			
c	Excess from 2018			
d	Excess from 2019			
e	Excess from 2020			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Schedule of Contributors

2020

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.	Employer identification number 23-7116528
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Organization type (check one):

Filers of:

Section:

- Form 990 or 990-EZ 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.**Employer identification number
23-7116528**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	N/A	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	N/A	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	N/A	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	N/A	\$ 100,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	N/A	\$ 140,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	N/A	\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number
23-7116528**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	N/A	\$ 160,360.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	N/A	\$ 201,141.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
9	N/A	\$ 205,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	N/A	\$ 210,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	N/A	\$ 296,645.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	N/A	\$ 420,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.**

Employer identification number
23-7116528

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	N/A	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.**

Employer identification number

23-7116528

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
8	STOCK	\$ 101,141.	06/28/2021
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
12	COMMERCIAL PROPERTY	\$ 420,000.	06/30/2021
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____	\$ _____	_____

Name of organization **NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.**

Employer identification number
23-7116528

Part III **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____	_____ _____	_____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____	_____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____	_____ _____	_____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____	_____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____	_____ _____	_____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____	_____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____ _____	_____ _____	_____ _____

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
_____ _____	_____ _____

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2020

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor advisement.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, and Held at the End of the Tax Year. Includes rows for purpose(s) of conservation easements, total number of easements, acreage, and number of easements on historic structures, and several Yes/No questions.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, and Amount. Includes rows for reporting art, historical treasures, or other similar assets held for public exhibition, education, or research, and amounts required to be reported under FASB ASC 958.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2020

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange program
- e** Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	88,010,000.	92,799,000.	91,841,000.	87,251,000.	77,814,000.
b Contributions	2,167,000.	2,243,000.	1,215,000.	1,278,000.	1,218,000.
c Net investment earnings, gains, and losses	27,921,000.	-3,182,000.	3,384,000.	6,594,000.	11,077,000.
d Grants or scholarships	3,168,000.	3,022,000.	2,850,000.	2,640,000.	2,133,000.
e Other expenditures for facilities and programs					
f Administrative expenses	849,000.	828,000.	791,000.	642,000.	725,000.
g End of year balance	114,081,000.	88,010,000.	92,799,000.	91,841,000.	87,251,000.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment 2.5995 %
- b** Permanent endowment 46.3910 %
- c** Term endowment 51.0095 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) Unrelated organizations	<input type="checkbox"/>	X
(ii) Related organizations	<input type="checkbox"/>	X
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	<input type="checkbox"/>	<input type="checkbox"/>

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		323,181.		323,181.
b Buildings				
c Leasehold improvements		208,028.	208,028.	
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				323,181.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A) REMAIND INT REAL PROP & OTHER	1,190,000.	FMV
(B) PUBLIC NATURAL RESOURCES MLP	2,960,277.	FMV
(C) PRIVATE EQUITY	14,972,581.	FMV
(D) PRIVATE DEBT	4,844,628.	FMV
(E) NATURAL RESOURCES	8,860,739.	FMV
(F) PRIVATE REAL ESTATE	3,248,338.	FMV
(G) LOW-VOLATILITY		FMV
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) . ▶	36,076,563.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) . ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) FUNDS HELD IN TRUST FOR NKU	15,889,142.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	15,889,142.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII .

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE D, PART V, LINE 4

INTENDED USE OF ENDOWMENT

ENDOWMENT IS TO BE USED PRIMARILY FOR STUDENT FINANCIAL AID AND

SCHOLARSHIPS AT NORTHERN KENTUCKY UNIVERSITY.

Part XIII Supplemental Information *(continued)*

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		GALA	GOLF OUTING		(add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts	92,242.	63,575.		155,817.
	2 Less: Contributions	55,120.	28,426.		83,546.
	3 Gross income (line 1 minus line 2)	37,122.	35,149.		72,271.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	41,183.	110.		41,293.
	6 Rent/facility costs		7,776.		7,776.
	7 Food and beverages		2,809.		2,809.
	8 Entertainment				
	9 Other direct expenses	1,895.	5,881.		7,776.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				59,654.
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				12,617.

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) ▶					
8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶					

9 Enter the state(s) in which the organization conducts gaming activities: _____
a Is the organization licensed to conduct gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No
b If "Yes," explain: _____

- 11 Does the organization conduct gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

- 17 Mandatory distributions:
 - a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
 - b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	572,476.				INSTRUCTION
(2) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	96,800.				RESEARCH
(3) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	25,318.				PUBLIC SERVICE
(4) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	627,325.				ACADEMIC SUPPORT
(5) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	183,470.				STUDENT SERVICES
(6) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	528,034.				INSTITUTIONAL SUPPORT
(7) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	3,182,512.				STUDENT FINANCIAL AID
(8) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOV'T	328,432.				GENERAL
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 1.

3 Enter total number of other organizations listed in the line 1 table ▶

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2020

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

SCHEDULE I, PART I, LINE 2

PROCEDURES FOR MONITORING GRANTS

THE FOUNDATION MONITORS THE USE OF FUNDS GRANTED TO NKU THROUGH REVIEW OF INVOICES PAID BY NKU. THE FOUNDATION IS ALSO ABLE TO MONITOR THE PROGRESS OF NKU PROJECTS SUPPORTED WITH FOUNDATION FUNDS.

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

SCHEDULE I, PART II, LINE 1, COLUMN (H)

PURPOSE OF GRANT OR ASSISTANCE

SUBGRANT EXPENSES PAID FOR THE BENEFIT OF NORTHERN KENTUCKY UNIVERSITY

(NKU) TO HELP PROVIDE FUNDING FOR NKU FACULTY POSITIONS, CONSTRUCTION

PROJECTS AND VARIOUS OTHER OPERATING EXPENDITURES.

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles.				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	15.	233,883.	AVERAGE SHARE PRICE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial	X	1.	420,000.	FAIR MARKET VALUE
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (VARIOUS)	X	130.	43,206.	FMV
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2020

JSA

OE1298 1.000

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN B

NUMBER

THE AMOUNT REPORTED IN COLUMN B REPRESENTS THE NUMBER OF CONTRIBUTORS.

SCHEDULE M, PART I, LINE 32B

THIRD PARTY ARRANGEMENT

A THIRD PARTY PROCESSOR IS USED FOR THE NORSE GALA SILENT AUCTION ITEMS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Employer identification number

23-7116528

FORM 990, PART VI, LINE 1A

MATERIAL DIFFERENCES IN VOTING RIGHTS

EXECUTIVE COMMITTEE IS ABLE TO VOTE ON BEHALF OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 11B

FORM 990 REVIEW PROCESS

THE FORM 990 IS PREPARED AND REVIEWED BY A CERTIFIED PUBLIC ACCOUNTING FIRM. THE RETURN IS REVIEWED BY MANAGEMENT AND THE FINANCE AND AUDIT COMMITTEE CHAIR. THE RETURN IS EMAILED TO ALL VOTING BOARD MEMBERS FOR APPROVAL BEFORE A FINAL VERSION IS FILED WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C

MONITORING COMPLIANCE

THE OFFICERS AND BOARD MEMBERS ARE REQUIRED TO DISCLOSE ANY CONFLICTS OF INTEREST. THIS POLICY IS MONITORED BY THE MEMBERSHIP COMMITTEE CHAIRPERSON IN CONJUNCTION WITH THE BOARD PRESIDENT AND EXECUTIVE COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 15A

COMPENSATION REVIEW

THE FOUNDATION EXECUTIVE COMMITTEE DETERMINES EXECUTIVE COMPENSATION UPON RECOMMENDATION OF THE NKU PERSONNEL COMMITTEE WHICH WORKS IN CONJUNCTION WITH HUMAN RESOURCES. THIS REVIEW WAS CONDUCTED IN JULY, 2020.

Name of the organization NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.	Employer identification number 23-7116528
---	--

FORM 990, PART VI, SECTION C, LINE 19

DOCUMENT AVAILABILITY

THE FORM 990 IS MADE AVAILABLE UPON REQUEST AND ONLINE VIA THE FOUNDATION'S WEBSITE. THE GOVERNING DOCUMENTS, FORM 1023 AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE UPON REQUEST AND AT THE DISCRETION OF THE BOARD OF DIRECTORS AND MANAGEMENT.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE MISSION OF NORTHERN KENTUCKY UNIVERSITY FOUNDATION IS TO SECURE, INVEST, STEWARD, AND DISTRIBUTE PRIVATE RESOURCES IN SUPPORT OF NORTHERN KENTUCKY UNIVERSITY, TO ADVOCATE FOR THE UNIVERSITY'S BEST INTERESTS, AND TO BUILD LASTING RELATIONSHIPS WITH ALUMNI AND FRIENDS.

ATTACHMENT 2

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
INSTRUCTION, PUBLIC SERVICE, UNIVERSITY	1,181,221.	2,118,942.	
FACILITIES & EQUIPMENT ACQUISITION, LIBRARIES, STUDENT SERVICES, RESEARCH			
TOTALS	<u>1,181,221.</u>	<u>2,118,942.</u>	

ATTACHMENT 3

FORM 990, PART V, LINE 4B - FOREIGN COUNTRIES

CANADA

CAYMAN ISLANDS

UNITED KINGDOM

Name of the organization NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.	Employer identification number 23-7116528
---	--

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
FUND EVALUATION GROUP 201 EAST FIFTH STREET STE 1600 CINCINNATI, OH 45202	INVEST CONSULTING	124,797.

ATTACHMENT 5

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
PUBLICLY TRADED SECURITY	98,638,299.	FMV
TOTALS	<u>98,638,299.</u>	

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2020

**Open to Public
Inspection**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) NKUF PROPERTIES 1, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	125,347.	188,133.	NKUF
(2) NKUF PROPERTIES 2, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	0.	40,738.	NKUF
(3) NKUF PROPERTIES 3, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	16,500.	221.	NKUF
(4) NKUF PROPERTIES 4, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	0.	104,614.	NKUF
(5) NKUF PROPERTIES 5, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	1,037,992.	0.	NKUF
(6) NKUF PROPERTIES 6, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	0.	768,253.	NKUF

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2020

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2020

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTHERN KENTUCKY UNIVERSITY FOUNDATION, INC.

Employer identification number

23-7116528

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) NKUF PROPERTIES 7, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	0.	0.	NKUF
(2) NKUF PROPERTIES 8, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116528	RE HOLDINGS	KY	420,000.	420,000.	NKUF
(3) NKUF PROPERTIES 10, LLC ADMIN CENTER SUITE 822 HIGHLAND HEIGHTS, KY 41099 23-7116578	RE HOLDINGS	KY	31,760.	4,846.	NKUF
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2020

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses.	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

NORTHERN KENTUCKY UNIVERSITY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

NKU NORTHERN
KENTUCKY
UNIVERSITY
FOUNDATION



September 9, 2021

Dear NKU Foundation Board Members and Friends:

After more than a year and a half of living with the world's pandemic of COVID-19 and its variants, one thing I have learned is that flexibility and fortitude are the markers of what make good organizations and leaders great when met with adversity. The Foundation, NKU, and its leaders have been both, which has proven resilient as we face another difficult period ahead.

Now almost two years into our strategic plan, I am pleased where we are with our goals in support of student success: fundraising, stewardship, innovation, and advocacy. The following pages show our Consolidated Financial Statements for the years ending June 30, 2021 and June 30, 2020. They have been audited by BKD, LLP, whose report appears on page four. You will see that at 2021 fiscal year end, total Foundation assets reached \$152.4 million. The sale of our land in Covington (the original location of the university) and an excellent return on investments helped us toward increasing our resources to support NKU. The endowment pool also grew as new endowment accounts were created, growing total donor restricted endowments to 367.

This year our focus is on the final year of Further, Faster: The Campaign for NKU. The \$75 million goal is within reach. Once achieved we will have better positioned our students for success and our region for growth. In addition, the Foundation is making progress on innovative activities to support the university and its continued success.

In the area of advocacy, NKU and Foundation leaders worked with our Northern Kentucky Caucus to advance needed legislation to complete NKU's exit from the Kentucky Retirement System and a reduced rate on the university's cessation calculation.

As I conclude my last year as the Foundation President, I want to thank each of you for charging on and supporting our students, the lifeblood of our mission. Let's keep moving forward together by being purposeful, adaptable, and impactful in our support of student success.

Best,

A handwritten signature in black ink, appearing to read "Jason O. Jackman". The signature is fluid and cursive, with a large initial "J" and "O".

Jason O. Jackman
President
Northern Kentucky University Foundation, Inc.



Lucas Administrative Center 822
Highland Heights, KY 41099
(859) 572-5129
nku.edu/foundation

EXECUTIVE COMMITTEE

Mr. Jason O. Jackman
PRESIDENT

Ms. Mary Zalla '87
SECRETARY

Mr. Richard A. Boehne '81
Mr. Normand Desmarais
Dr. Ashish Vaidya

Mr. Thomas Wiedemann '90
VICE PRESIDENT

Mr. Martin Butler '77
AT LARGE

Mr. Eric C. Gentry
EXECUTIVE DIRECTOR

Mr Kevin Gessner '97, '00
TREASURER

BOARD OF DIRECTORS

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Mr. Brent M. Cooper

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Ms. Karen A. Finan '82

Mr. Fred A. Macke, Jr. '75, '77

Mr. Chad Scott '97

Ms. Michele Hargis

Mr. H. McGuire Riley '86

Mr. Nathaniel G. Smith '94

Ms. Barbara L. Moran Johnson

Mr. Timothy Schigel

Ms. Kara Williams '01

Mr. Jack G. Kenkel, Jr. '76

Ms. Rosemary Schlachter

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Independent Auditor's Report

Board of Directors
Northern Kentucky University Foundation, Inc.
Highland Heights, Kentucky

We have audited the accompanying consolidated financial statements of Northern Kentucky University Foundation, Inc., which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Northern Kentucky University Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The board of directors listing, letter from the president, and executive committee/officers listing are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Cincinnati, Ohio
September 15, 2021

Northern Kentucky University Foundation, Inc.
Consolidated Statements of Financial Position
As of June 30, 2021 and 2020
(in thousands)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 11,996	\$ 9,007
Loans and accounts receivable, net	165	452
Contributions receivable, net	4,926	6,545
Prepaid expenses and deferred charges	207	130
Investments	134,768	106,234
Land and land improvements, net	323	355
TOTAL ASSETS	<u>\$ 152,385</u>	<u>\$ 122,723</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 243	\$ 395
Deferred income	675	674
Notes payable	-	2,000
Funds held in trust for Northern Kentucky University	15,889	12,487
TOTAL LIABILITIES	<u>16,807</u>	<u>15,556</u>
NET ASSETS		
Without Donor Restrictions		
For current operations	2,959	1,751
Amounts functioning as endowment funds	3,367	2,571
Invested in land and land improvements	323	355
Total without donor restrictions	<u>6,649</u>	<u>4,677</u>
With Donor Restrictions		
Unexpended funds received for restricted purposes	12,854	10,098
Contributions receivable	4,926	6,545
Loan funds	435	408
Endowment funds	110,714	85,439
Total with donor restrictions	<u>128,929</u>	<u>102,490</u>
TOTAL NET ASSETS	<u>135,578</u>	<u>107,167</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 152,385</u>	<u>\$ 122,723</u>

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.

Consolidated Statement of Activities

For the year ended June 30, 2021

(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Gifts and bequests	\$ 1	\$ 4,879	\$ 4,880
State grants	-	12	12
Rental income	142	1	143
Investment return	842	28,166	29,008
Gain on sale of land	1,040	-	1,040
Other revenue	124	227	351
Total revenues and gains	2,149	33,285	35,434
Net assets released from restrictions	6,452	(6,452)	-
Total revenues, gains and other support	8,601	26,833	35,434
EXPENSES AND LOSSES			
Program expenses			
Instruction	710	-	710
Research	104	-	104
Public service	221	-	221
Libraries	5	-	5
Academic support	809	-	809
Student services	354	-	354
Institutional support	734	-	734
University facilities and equipment acquisition	3	-	3
Student financial aid	3,182	-	3,182
Other program expenses and losses	-	394	394
Total program expenses	6,122	394	6,516
Support expenses			
Management and general	444	-	444
Fund raising support	63	-	63
Rental property	-	-	-
Total support expenses	507	-	507
TOTAL EXPENSES AND LOSSES	6,629	394	7,023
INCREASE (DECREASE) IN NET ASSETS	1,972	26,439	28,411
NET ASSETS - BEGINNING OF YEAR	4,677	102,490	107,167
NET ASSETS - END OF YEAR	\$ 6,649	\$ 128,929	\$ 135,578

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.

Consolidated Statement of Activities

For the year ended June 30, 2020

(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Gifts and bequests	\$ 1	\$ 8,887	\$ 8,888
State grants	-	539	539
Rental income	131	-	131
Investment return	18	(2,957)	(2,939)
Other revenue	122	563	685
Total revenues and gains	272	7,032	7,304
Net assets released from restrictions	7,338	(7,338)	-
Total revenues, gains and other support	7,610	(306)	7,304
EXPENSES AND LOSSES			
Program expenses			
Instruction	765	-	765
Research	66	-	66
Public service	735	-	735
Libraries	10	-	10
Academic support	1,038	-	1,038
Student services	592	-	592
Institutional support	932	-	932
University facilities and equipment acquisition	150	-	150
Student financial aid	2,557	-	2,557
Other program expenses and losses	-	10	10
Total program expenses	6,845	10	6,855
Support expenses			
Management and general	503	-	503
Fund raising support	204	-	204
Rental property	4	-	4
Total support expenses	711	-	711
TOTAL EXPENSES AND LOSSES	7,556	10	7,566
INCREASE (DECREASE) IN NET ASSETS	54	(316)	(262)
NET ASSETS - BEGINNING OF YEAR	4,623	102,806	107,429
NET ASSETS - END OF YEAR	\$ 4,677	\$ 102,490	\$ 107,167

See accompanying notes to the consolidated financial statements

Northern Kentucky University Foundation, Inc.
Consolidated Statements of Cash Flows
For the years ended June 30, 2021 and 2020
(in thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Interest and dividends received	\$ 3,029	\$ 2,395
Contributions received	3,394	2,921
Other receipts	712	1,662
Payments to vendors for goods and services	(1,241)	(2,572)
Subgrants to the University	(2,283)	(2,463)
Disbursements to students for financial aid	(3,182)	(2,557)
Interest paid	(13)	-
Net cash provided by (used for) operating activities	<u>416</u>	<u>(614)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	16,524	8,639
Purchases of investments	(15,263)	(12,661)
Net cash provided by (used for) investing activities	<u>1,261</u>	<u>(4,022)</u>
Cash flows from financing activities:		
Endowment and other capital gifts	2,240	2,303
Proceeds from notes payable	-	2,000
Proceeds from disposal of land	1,072	-
Payment of notes payable	(2,000)	-
Acquisition of capital assets	-	(15)
Net cash provided by (used for) financing activities	<u>1,312</u>	<u>4,288</u>
Net change in cash and cash equivalents	2,989	(348)
Cash and cash equivalents at beginning of year	9,007	9,355
Cash and cash equivalents at end of year	<u>\$ 11,996</u>	<u>\$ 9,007</u>
Reconciliation of change in net assets to net cash provided by (used for) operating activities:		
Change in net assets	\$ 28,411	\$ (262)
Bad debt expense adjustment	2	-
Gain on sale of land	(1,040)	-
Provision for uncollectible pledges	3	-
Adjustment of life estate remainder interest	-	36
Contributions restricted for long-term investment	(2,240)	(2,303)
Net losses (gains) on investments	(25,979)	5,334
Contribution of real estate	(420)	-
Changes in assets and liabilities:		
Loans and accounts receivable	285	(261)
Contributions receivable	1,616	(3,533)
Prepaid expenses and deferred charges	(77)	(88)
Accounts payable	(152)	(10)
Deferred revenue	12	475
Cash surrender value of life insurance	(5)	(2)
Net cash provided by (used for) operating activities	<u>\$ 416</u>	<u>\$ (614)</u>

See accompanying notes to the consolidated financial statements

Notes to Consolidated Financial Statements ***June 30, 2021 and 2020***

NOTE A – HISTORY AND PURPOSE

Northern Kentucky University Foundation, Inc.

Northern Kentucky University Foundation, Inc. (the Foundation) was incorporated November 23, 1970, as a Kentucky non-stock, not-for-profit corporation. The purpose of the Foundation, as stated by the articles of incorporation, is to provide general and specific services and material things necessary or desirable for the growth and development of Northern Kentucky University (the University), and encompasses prospective students, students, alumni, faculty, and staff, as well as research and civic services and cooperative educational programs. Any and all things and acts in and incidental to the conduct of such activities deemed useful, necessary, proper and lawful, are also declared purposes.

Kentucky Revised Statutes define affiliation status for corporations supporting public education institutions. The Foundation is an unaffiliated corporation as defined by the statutes.

The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Section 501(c)(3) of the code and has determined that it is not a private foundation within Section 509(a) of the code. Contributions, bequests, legacies, devices, transfers and gifts made to the Foundation are deductible by donors, as provided in Section 170 of the code.

Scope of Statements

The consolidated financial statements of the Foundation include the operations of the Foundation as well as the following single member limited liability companies: NKUF Properties 1, LLC, NKUF Properties 2, LLC, NKUF Properties 3, LLC, NKUF Properties 4, LLC, NKUF Properties 5, LLC, NKUF Properties 6, LLC, NKUF Properties 8, and NKUF Properties 10 LLC. These entities hold title to real estate and other assets formerly held by the Foundation. All material intercompany transactions and balances have been eliminated.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Foundation in preparation of its consolidated financial statements.

These statements are presented on the accrual basis of accounting, and have been prepared to focus on the Foundation as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets – with donor restrictions and without donor restrictions.

Net assets and changes therein are classified as follows:

With donor restrictions - Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Without donor restrictions - Net assets not subject to donor-imposed stipulations. And are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Restricted contributions and net investment returns earned are reported as with donor restrictions and reclassified as without donor restricted when any donor-imposed restrictions are satisfied. Expirations of with donor restrictions on net assets are met when a donor stipulated time restriction ends or purpose restriction is accomplished and reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and nature of the fund-raising activity.

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Income and realized net gains on long-term investments are reported as follows:

- As increases in net assets with donor restrictions – if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the use of the income.
- As increases in net assets without donor restrictions – in all other cases.

Cash and Cash Equivalents

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits and temporary investments in marketable securities with maturities of less than three months. Cash and cash equivalents representing investments purchased with endowment net assets are reported as investments.

At various times throughout the year, the Foundation has cash in certain financial institutions in excess of insured limits. Additionally, at June 30, 2021 and 2020, \$835,000 and \$2,353,000, respectively, was insured by federal depository insurance or collateralized with securities held by the financial institution's trust department or agent, but not in the Foundation's name. At June 30, 2021 and 2020, balances of \$11,111,000 and \$6,654,000, respectively, were neither insured nor collateralized.

Loans and Accounts Receivable

Loans receivable consists primarily of loans made to students under privately funded loan programs. The advances are evidenced by signed promissory notes, bearing interest at varying stated interest rates, with varying due dates. Loans, accounts and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for a probable uncollectible allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts as of June 30, 2021 and 2020 was approximately \$41,000 and \$39,000, respectively.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair value. The estimated fair value of investments is based on quoted market prices, except for investments for which quoted market prices are not available. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations provided by the external investment managers adjusted for cash receipts, cash disbursements and distributions. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation (depreciation) of investments earned during the year is provided for program support.

The Foundation has significant exposure to a number of risks including interest rate, market and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the Foundation's consolidated financial statements.

All true endowment investments and long-term net assets functioning as endowments are managed in a pool, unless special considerations or donor stipulations require that they be held separately.

Land and Land Improvements

At June 30, 2021 and 2020, land and land improvements (in thousands) consisted of:

Type of asset:	<u>2021</u>	<u>2020</u>
Land	\$ 178	\$ 178
Land held for sale	-	32
Land held for future use by the University	145	145
Land improvements	<u>208</u>	<u>208</u>
Gross land and land improvements	531	563
Less: accumulated depreciation	<u>(208)</u>	<u>(208)</u>
Total land and land improvements, net	<u>\$ 323</u>	<u>\$ 355</u>

Assets acquired for Foundation use with a useful life greater than one year and a value of \$5,000 or more are capitalized. Annual depreciation for land improvements is calculated on a straight-line basis, beginning in the month of acquisition based on a useful life of 30 years. Assets purchased or constructed through the Foundation for immediate use by the University are recorded by the Foundation as a program expense.

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 or 2020.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

Reclassifications

Certain reclassifications have been made to the 2020 consolidated financial statement to conform to the 2021 consolidated financial statement presentation. These reclassifications had no effect on changes in net assets.

NOTE C – PROPERTY LEASES

At June 30, 2021, the Foundation owned properties subject to lease agreements with unrelated parties, as follows:

One property is subject to a lease covering approximately 23 acres of Foundation land. The lease is for 48 years ending on July 31, 2040, with four additional lease option terms of ten years each. As a condition of the lease, the Foundation has executed fee title mortgages to institutional lenders which subordinates its title in the real estate leased as security for construction financing of permanent improvements thereon. Any improvements constructed on the leased property of the Foundation shall become the property of the Foundation only upon termination of the lease or termination of the last such renewal term as may be exercised.

A second property is subject to a property lease and easements covering approximately .2 (two tenths) acre of Foundation land. The initial lease term was 5 years, beginning January 1, 1997, with nine additional 5-year automatic renewals at the option of the lessee.

Rental Income for these properties was \$142,000 and \$131,000 for the years ended June 30, 2021 and 2020, respectively.

The following is a schedule by years of the future rentals receivable (in thousands) on property leases as of June 30, 2021:

<u>Year ending June 30</u>	
2022	135
2023	126
2024	126
2025	126
2026	138
2027 and thereafter	<u>2,172</u>
Total future rentals	<u>\$ 2,823</u>

In addition, during the year ended June 30, 2021 the Foundation entered an operating lease agreement to rent space within a building for certain program activities expiring September 30, 2023. Rent expense was \$20,000 for the year ended June 30, 2021. A portion of the leased space was subleased during the year ended June 30, 2021 with associated rental income totaling \$1,000. Future minimum lease payments at June 30, 2021 were:

<u>Year ending June 30</u>	
2022	24
2023	26
2024	6
Total future payments	<u>\$ 56</u>

NOTE D – UNCONDITIONAL AND CONDITIONAL PROMISES TO GIVE

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using a risk free interest rate and amortization of the discount is included in gifts and bequests revenue.

At June 30, 2021 and 2020, the Foundation recognized contributions based on the following unconditional promises to give (in thousands):

	2021	2020
Purpose:		
Endowment giving	\$ 1,383	\$ 2,648
Capital purposes	230	300
Operating programs	3,672	3,818
Gross unconditional promises	5,285	6,766
Less: Discount and allowance for uncollectible accounts	(359)	(221)
Net unconditional promises to give	\$ 4,926	\$ 6,545
 Amounts due in:		
Less than one year	1,857	2,391
One to five years	3,278	4,050
More than five years	150	325
Total	\$ 5,285	\$ 6,766

The discount rates used to calculate the present value of contributions receivable at June 30, 2021 and 2020 vary from 0.6% to 3.4%, depending on when the promise was made.

Conditional promises to give are not included as support until such time as the conditions are substantially met. The Foundation had received conditional promises to give of approximately \$2.5 million at June 30, 2021 and \$2.7 million at June 30, 2020, consisting of the face value of life insurance policies, net of accumulated cash surrender value, as well as conditional promises of \$1.7 million at June 30, 2021 and \$1.8 million at June 30, 2020 being from a single donor.

Approximately 15% of total pledges receivable were due from one donor at June 30, 2021. Approximately 15% of total pledges receivable were due from one donor at June 30, 2020.

NOTE E – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Other inputs that are observable for the asset or liability;
- Other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include short term money market funds, cash surrender value, fixed income funds and equity funds.

Level 2 investments are based on quoted prices of securities or other property with similar characteristics and include a remainder interest in real property subject to a life estate.

Level 3 investments include those in which there is no active market. The Foundation holds no Level 3 investments at June 30, 2021 or 2020.

The following assets were measured at fair value on a recurring basis as of June 30, 2021 (in thousands):

	Fair Value Measurements Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV*
June 30, 2021					
Type of Investment:					
Short-term money market funds	\$ 29	\$ 29	\$ -	\$ -	\$ -
Cash surrender value	493	493	-	-	-
Fixed income funds:					
Core	5,675	5,675	-	-	-
Core Plus	6,650	6,650	-	-	-
Treasury Inflation Protected Securities	1,915	1,915	-	-	-
Intermediate	5,114	5,114	-	-	-
Equity funds:					
Large/Mid-Cap - Broad	35,015	35,015	-	-	-
Large/Mid-Cap - Value	8,857	8,857	-	-	-
Small Cap - Growth	2,485	2,485	-	-	-
Small Cap - Value	2,892	2,892	-	-	-
International - Core	9,386	9,386	-	-	-
International - Value	4,295	4,295	-	-	-
International Small Cap - Value	3,343	3,343	-	-	-
Emerging Markets - Value	5,932	5,932	-	-	-
Emerging Markets - Small Cap	6,104	6,104	-	-	-
Real Estate Investment Trust	44	44	-	-	-
Exchange Traded Funds	320	320	-	-	-
Remainder interest in real property and other	1,190	-	1,190	-	-
Public Natural Resources-Master Limited Partnerships	2,960	-	-	-	2,960
Private equity	14,973	-	-	-	14,973
Private debt	4,845	-	-	-	4,845
Natural resources	8,861	-	-	-	8,861
Private real estate	3,248	-	-	-	3,248
Total	\$ 134,626	\$ 98,549	\$ 1,190	\$ -	\$ 34,887

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position.

The following assets were measured at fair value on a recurring basis as of June 30, 2020 (in thousands):

	Fair Value Measurements Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV*
June 30, 2020					
Type of Investment:					
Short-term money market funds	\$ 10	\$ 10	\$ -	\$ -	\$ -
Cash surrender value	463	463	-	-	-
Fixed income funds:					
Core	4,772	4,772	-	-	-
Core Plus	6,148	6,148	-	-	-
Global	478	478	-	-	-
Treasury Inflation Protected Securities	1,798	1,798	-	-	-
Intermediate	5,123	5,123	-	-	-
Equity funds:					
Large/Mid-Cap - Broad	24,191	24,191	-	-	-
Large/Mid-Cap - Value	6,741	6,741	-	-	-
Small Cap - Growth	1,746	1,746	-	-	-
Small Cap - Value	1,549	1,549	-	-	-
International - Core	6,907	6,907	-	-	-
International - Value	3,327	3,327	-	-	-
International Small Cap - Value	2,323	2,323	-	-	-
Emerging Markets - Value	4,042	4,042	-	-	-
Emerging Markets - Small Cap	3,924	3,924	-	-	-
Real Estate Investment Trust	40	40	-	-	-
Exchange Traded Funds	116	116	-	-	-
Remainder interest in real property and other	3,653	-	3,653	-	-
Public Natural Resources-Master Limited Partnerships	1,913	-	-	-	1,913
Private equity	8,233	-	-	-	8,233
Private debt	2,667	-	-	-	2,667
Natural resources	7,629	-	-	-	7,629
Private real estate	2,675	-	-	-	2,674
Low-Volatility	5,632	-	-	-	5,632
Total	\$ 106,100	\$ 73,698	\$ 3,653	\$ -	\$ 28,748

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position.

NOTE F – INVESTMENTS

The market values (in thousands) of the Foundation's investments as of June 30, 2021 and 2020 are categorized by type below:

Type of Investment:	2021	2020
Short-term money market funds	\$ 29	\$ 10
Cash and cash surrender value	635	597
Fixed income funds:		
Core	5,675	4,772
Core Plus	6,650	6,148
Global	-	478
Treasury Inflation Protected Securities	1,915	1,798
Intermediate	5,114	5,123
Equity funds:		
Large/Mid Cap - Broad	35,015	24,191
Large/Mid Cap - Value	8,857	6,741
Small Cap - Growth	2,485	1,746
Small Cap - Value	2,892	1,549
International - Core	9,386	6,907
International - Value	4,295	3,327
International Small Cap - Value	3,343	2,323
Emerging Markets - Value	5,932	4,042
Emerging Markets - Small Cap	6,104	3,924
Real Estate Investment Trust	44	40
Exchange Traded Funds	320	116
Public Natural Resources - Master Limited Partnerships	2,960	1,913
Remainder interest in real property and other	1,190	3,653
Private equity:		
Buyout	3,438	1,868
Diversified	560	912
Growth	3,178	1,470
Venture Capital	4,768	1,869
Secondary	3,029	2,114
Private debt:		
Distressed	4,837	2,659
Mezzanine	8	8
Natural Resources:		
Diversified	2,482	2,115
Energy	3,700	3,013
Commodities	2,679	2,501
Private real estate:		
Opportunistic	2,755	2,236
Value Added	493	439
Low-Volatility:		
Diversifying Strategies	-	5,632
Total Investments	\$ 134,768	\$ 106,234

Investment return (in thousands) for the years ended June 30 2021 and 2020 consists of:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 3,029	\$ 2,395
(net of investment fees: 2021 - \$602, 2020 - \$573)		
Net realized gains (losses)	1,897	1,628
Net unrealized gains (losses)	<u>24,082</u>	<u>(6,962)</u>
	<u>\$29,008</u>	<u>\$ (2,939)</u>

The Foundation records the cost of managing its endowment portfolio as a decrease in investment income within the appropriate net asset class in the consolidated statement of activities. Some of the Foundation's investment managers report investment transactions net of fees.

The investments of the Foundation are commingled with certain investments which the Foundation holds in trust for the University. The market value of funds held in trust for the University at June 30, 2021 and 2020 was approximately \$15,889,000 and \$12,487,000 respectively. (See Note I)

At June 30, 2021 and 2020, the Foundation had committed approximately \$65,800,000 and \$57,700,000, respectively, of its endowment investment resources to alternative investments, of which approximately \$21,400,000 and \$17,800,000, respectively, had not yet been called by the investment managers. Alternative investments for which commitments have been made consist of private equity/debt, natural resources, private real estate and low-volatility.

Alternative investments of the Foundation have limited marketability and the related investment agreements generally contain restrictive redemption provisions to the extent that the underlying investments should be considered illiquid for the duration of the investment through normal maturity. Early redemption of such investments would likely result in recovery of significantly less than the original investment amount. Foundation management believes the investment portfolio contains sufficient liquidity among other asset classes to make early redemption of alternative investments unlikely for reasons of meeting current spending needs.

NOTE G – ENDOWMENTS

The Foundation's endowment consists of 367 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board, at their discretion, can at any time permit spending from the principal of any quasi-endowed fund, provided the expenditure complies with any donor-imposed restrictions related to the fund.

Kentucky enacted the Kentucky Uniform Prudent Management of Institutional Funds Act (KUPMIFA), the provisions of which apply to endowment funds existing on or established after enactment, with an effective date of July 15, 2010.

An interpretation of KUPMIFA provisions by the Foundation Board of Directors requires that the historical dollar amount of a donor-restricted endowment fund be preserved. As a result of this requirement, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The net appreciation of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

Under KUPMIFA, the Foundation endowment spending policy allows for prudent spending of future endowment earnings for accounts without accumulated earnings based upon consideration of the following factors, if applicable:

- Duration and preservation of the endowment fund
- Purpose of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return on investments
- Other resources of the institution
- Investment policy

The approved annual endowment spending rate is reduced by a proportion of 5% for each 1% the affected endowment is below the value of original and subsequent gifts to the permanent endowment (i.e. principal).

Return Objectives and Risk Parameters. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a rate equal to the Consumer Price Index +5%, net of investment fees. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes fixed income investments as well as publicly traded equity-based investments and various alternative investment strategies to achieve its long-term return objectives within prudent risk parameters.

Spending Policy and How the Objectives Relate to Spending Policy. The spending policy calculates the amount of money annually distributed from the Foundation’s various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 3-5% of a moving sixteen quarter average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow the Foundation to meet its objective to maintain the historical dollar amount of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor restricted endowment funds	\$ -	\$ 106,009	\$ 106,009
Quasi-endowment funds	3,367	4,705	8,072
Total endowment funds	\$ 3,367	\$ 110,714	\$ 114,081

Changes in endowment net assets (in thousands) for the year ended June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,571	\$ 85,439	\$ 88,010
Contributions collected and other additions	-	2,167	2,167
Investment income	88	2,917	3,005
Net investment gain (loss)	733	24,183	24,916
Amounts appropriated for expenditure	<u>(25)</u>	<u>(3,992)</u>	<u>(4,017)</u>
Endowment net assets, end of year	<u>\$ 3,367</u>	<u>\$ 110,714</u>	<u>\$ 114,081</u>

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$ -	\$ 79,291	\$ 79,291
Quasi-endowment funds	<u>2,571</u>	<u>6,148</u>	<u>8,719</u>
Total endowment funds	<u>\$ 2,571</u>	<u>\$ 85,439</u>	<u>\$ 88,010</u>

Changes in endowment net assets (in thousands) for the year ended June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,687	\$ 90,112	\$ 92,799
Contributions collected and other additions	-	2,243	2,243
Investment income	67	2,220	2,287
Net investment gain (loss)	(160)	(5,309)	(5,469)
Amounts appropriated for expenditure	(23)	(3,831)	(3,854)
Reclassify to held in perpetuity	<u>-</u>	<u>4</u>	<u>4</u>
Endowment net assets, end of year	<u>\$ 2,571</u>	<u>\$ 85,439</u>	<u>\$ 88,010</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or KUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies of this nature at June 30, 2021 and deficiencies of this nature were approximately \$84,000 at June 30, 2020. These deficiencies resulted from unfavorable market conditions that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

NOTE H - CONTINGENT LIABILITIES

Legal counsel for the Foundation have advised that they know of no pending or threatened litigation, claims or assessments involving the Foundation that could have a material adverse financial effect on the Foundation.

NOTE I - REGIONAL UNIVERSITY EXCELLENCE TRUST FUND

The Foundation holds certain funds, consisting of endowment matching funds received by the University from the Commonwealth of Kentucky's Regional University Excellence Trust Fund, which were subsequently transferred to the Foundation for management and investment.

The Foundation reports these funds and accumulated earnings as assets held in trust for the University. Investment earnings, gains and losses and expenditures from these funds are reported as changes in the balance held in trust, rather than as revenue and expenses of the Foundation. (See Note F)

NOTE J - SUBSEQUENT EVENTS

Events occurring after June 30, 2021 have been evaluated for possible adjustment to the consolidated financial statements or disclosure through September 15, 2021, the date on which the consolidated financial statements were available to be issued.

NOTE K - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the Foundation made payments on behalf of the University of \$328,000 and \$331,000, respectively, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. Approximately \$2,000 and \$0 as of June 30, 2021, and 2020, respectively, was owed to the University for such costs.

In support of University Programs, the Foundation incurred program expenses of \$6,516,000 and \$6,855,000 for 2021 and 2020, respectively, which consisted of payments on behalf of the University of \$4,508,000 and \$4,858,000, for 2021 and 2020, respectively; and amounts transferred to the University for restricted purposes of \$2,008,000 and \$1,997,000 for 2021 and 2020, respectively.

During the year ended June 30, 2020, the Foundation purchased 20.24 acres of land from the University to be held as an investment for the amount of approximately \$2,968,000 which was sold during the year ended June 30, 2021.

NOTE L - LIQUIDITY AND AVAILABLE LIABILITIES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following (in thousands):

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 6,189	\$ 3,243
Accounts receivable	7	-
Contributions receivable	1,159	1,232
Less allowance for uncollectible pledges	(10)	(11)
	<u>\$ 7,345</u>	<u>\$ 4,464</u>

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2021 and 2020, restricted contributions of \$1,149,000 and \$1,221,000, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment for the years ended June 30, 2021 and 2020, of \$7,705,000 and \$7,439,000 is subject to an annual spending rate as described in Note G. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation's Finance and Audit Committee reviews the liquidity policy annually and the summarized financial reports at its regular meetings.

NOTE M – SCHEDULE OF FUNCTIONAL EXPENSES

The Foundation accounts for expenses in both natural classification categories and functional area categories. The summaries of these for the year ended June 30, 2021 and June 30, 2020 are as follows (in thousands):

Schedule of Functional Expenses For the Year Ended 6/30/21 (in thousands)

	Subgranted to NKU- Payroll	Subgranted to NKU- Other	Contracted Services	Operating	Scholarships & Awards	Total
Instruction	\$ 513	\$ 60	\$ 40	\$ 97	\$ -	\$ 710
Research	97	-	-	7	-	104
Public service	25	-	58	138	-	221
Libraries	-	-	-	5	-	5
Academic support	627	-	25	157	-	809
Student services	184	-	16	154	-	354
Institutional support	528	-	41	165	-	734
University facilities and equipment acquisition	-	(25)	-	28	-	3
Student financial aid	-	-	-	-	3,182	3,182
Other program expenses and losses	-	-	-	394	-	394
Total program expenses	\$ 1,974	\$ 35	\$ 180	\$ 1,145	\$ 3,182	\$ 6,516
Management and general	328	-	53	63	-	444
Fund raising support	-	-	-	63	-	63
Total support expenses	\$ 328	\$ -	\$ 53	\$ 126	\$ -	\$ 507
Total expenses and losses	\$ 2,302	\$ 35	\$ 233	\$ 1,271	\$ 3,182	\$ 7,023

Schedule of Functional Expenses
For the Year Ended 6/30/20
(in thousands)

	Subgranted to NKU- Payroll	Subgranted to NKU- Other	Contracted Services	Operating	Scholarships & Awards	Total
Instruction	\$ 467	\$ 104	\$ 34	\$ 160	\$ -	\$ 765
Research	61	-	-	5	-	66
Public service	36	20	3	676	-	735
Libraries	-	-	-	10	-	10
Academic support	578	-	37	423	-	1,038
Student services	139	44	25	384	-	592
Institutional support	428	-	98	406	-	932
University facilities and equipment acquisition	-	120	-	30	-	150
Student financial aid	-	-	-	-	2,557	2,557
Other program expenses and losses	-	-	-	10	-	10
Total program expenses	\$ 1,709	\$ 288	\$ 197	\$ 2,104	\$ 2,557	\$ 6,855
Management and general	331	-	102	70	-	503
Fund raising support	-	-	-	204	-	204
Rental property	-	-	-	4	-	4
Total support expenses	\$ 331	\$ -	\$ 102	\$ 278	\$ -	\$ 711
Total expenses and losses	\$ 2,040	\$ 288	\$ 299	\$ 2,382	\$ 2,557	\$ 7,566

NOTE N – LONG-TERM DEBT

During the year ended June 30, 2020 the Foundation borrowed \$2 million on a promissory note collateralized by maintaining an amount equal to the loan in a savings account within the lending institution. The loan was obtained to purchase 20.24 acres of land from the University to be held as an investment. Accrued interest is payable monthly commencing on July 31, 2020 and continuing each month with one final payment of all remaining interest and principal due on June 30, 2022. The interest rate is variable being determined by the LIBOR rate plus 1.0% adjusted on a monthly basis with a fixed minimum rate of 1.75%. The promissory note was paid in full during the year ended June 30, 2021.

NOTE O – FUTURE CHANGES IN ACCOUNTING PRINCIPLES

Accounting for Leases

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line bases over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for the Foundation for the year ending June 30, 2023.



nku.edu/foundation



312 Walnut Street, Suite 3000 P.O. Box 5367 Cincinnati, OH 45201-5367 513-621-8300

* * * * *

Instructions for Filing
Northern Kentucky University Research Foundation
Kentucky Form 990
Return of Organization Exempt from Income Tax
for the year ended June 30, 2021

* * * * *

Signature...

The original return should be signed (using full name and title) and dated by an authorized officer of the organization.

Filing...

The return should be filed on or before May 16, 2022 with the following:

Office of the Attorney General
1024 Capital Center Drive Suite 200
Frankfort, Kentucky 40601
Attn: Charity Registration

To document timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service).

Payment of Tax...

No payment of tax is required.

* * * * *

Return of Organization Exempt From Income Tax

2020

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

A For the **2020** calendar year, or tax year beginning 07/01, 2020, and ending 06/30, 20 21

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated/Amended return <input type="checkbox"/> Application pending	C Name of organization <u>NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC.</u>		D Employer identification number <u>20-1787893</u>
	Doing business as		E Telephone number <u>(859) 572-5136</u>
	Number and street (or P.O. box if mail is not delivered to street address) <u>NUNN DRIVE</u>	Room/suite <u>UC405</u>	
	City or town, state or province, country, and ZIP or foreign postal code <u>HIGHLAND HEIGHTS, KY 41099</u>		G Gross receipts \$ <u>2,359,425.</u>
F Name and address of principal officer: <u>DR. SAMANTHA LANGLEY</u> <u>NUNN DRIVE, UC405, HIGHLAND HEIGHTS, KY 41099</u>		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number <input type="checkbox"/>	
J Website: <u>HTTPS://INSIDE.NKU.EDU/RGC.HTML</u>			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: <u>2006 M State of legal domicile: <u>KY</u> </u>	

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: <u>SEE SCHEDULE O</u>			
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	3	16.	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10.	
	5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	0.	
	6	Total number of volunteers (estimate if necessary)	6	10.	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.	
	7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b		
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year <u>2,338,286.</u>	Current Year <u>2,359,425.</u>	
	9	Program service revenue (Part VIII, line 2g)	0.	0.	
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.	
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.	
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>2,338,286.</u>	<u>2,359,425.</u>	
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<u>2,257,213.</u>	<u>2,204,427.</u>	
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.	
	Expenses	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
		b	Total fundraising expenses (Part IX, column (D), line 25)	<u>0.</u>	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	0.	0.	
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>2,257,213.</u>	<u>2,204,427.</u>	
19		Revenue less expenses. Subtract line 18 from line 12	<u>81,073.</u>	<u>154,998.</u>	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year <u>12,969,153.</u>	End of Year <u>1,426,112.</u>	
	21	Total liabilities (Part X, line 26)	<u>12,023,287.</u>	<u>325,248.</u>	
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>945,866.</u>	<u>1,100,864.</u>	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	<u>4/14/22</u> Date
	<u>BENJAMIN FIGUEROA</u> Type or print name and title	<u>INTERIM VP FINANCE</u>

Paid Preparer Use Only	Print/Type preparer's name <u>AARON HERSHBERGER</u>	Preparer's signature 	Date <u>4/1/2022</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00961884</u>
	Firm's name <u>BKD, LLP</u>			Firm's EIN <u>44-0160260</u>	
	Firm's address <u>312 WALNUT STREET, SUITE 3000 CINCINNATI, OH 45202</u>			Phone no. <u>513-621-8300</u>	
	May the IRS discuss this return with the preparer shown above? (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2020)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,559,526. including grants of \$ 1,559,526.) (Revenue \$) PUBLIC SERVICE GRANTS PROVIDED FUNDING FOR A NUMBER OF PROGRAMS INCLUDING: UPWARD BOUND PROGRAM, EDUCATIONAL TALENT SEARCH, KHEEA COLLEGE COACHES AND FEDERAL COLLEGE COACHES, KENTUCKY COLLEGE COACHES ON CAMPUS AND HOST SITES, VISTA PROGRAM, CHASE COLLEGE OF LAW FELLOWS, MAYERSON PHILANTHROPY PROGRAM, AND EW SCRIPPS PHILANTHROPY AND INTERNSHIP PROGRAMS.

4b (Code:) (Expenses \$ 194,131. including grants of \$ 194,131.) (Revenue \$) IN THE AREAS OF STUDENT FINANCIAL ASSISTANCE AND STUDENT SERVICES, FUNDING PROVIDED SUPPORT FOR THE FEDERAL EDUCATION PROGRAM, STUDENT SUPPORT SERVICES, FINANCIAL AID PROGRAMS INCLUDING FUNDING FOR PROJECT SOAR STUDENTS, UPWARD BOUND STUDENTS, AND PARTICIPANTS IN TRAINEESHIP IN SPECIAL EDUCATION.

4c (Code:) (Expenses \$ 330,516. including grants of \$ 330,516.) (Revenue \$) PROGRAM SERVICE ACCOMPLISHMENTS IN THE AREAS OF BASIC AND APPLIED RESEARCH INCLUDED PROJECTS SUCH AS THE NASA FUNDED HELIX PROJECT, STUDY OF COSMIC RAYS AND WORK WITH NASA ON THE INTERNATIONAL SPACE STATION. NATIONAL SCIENCE FOUNDATION SPONSORED RESEARCH INCLUDED A STUDY OF STELLAR COMPANIONS, TIM CONSORTIUM OF MOLECULAR RESEARCH, TECHNOLOGY-CENTERED MATHEMATICAL NOTICING, FSML PLANNING GRANT, HETEROARYLATION OF KETONES, AND SEARCH FOR VERIFIABLE COMPLEX DIFFUSION MECHANISMS.

4d Other program services (Describe on Schedule O.) ATTACHMENT 2 (Expenses \$ 120,254. including grants of \$ 120,254.) (Revenue \$)

4e Total program service expenses 2,204,427.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Contains 21 numbered questions regarding organizational requirements and schedules.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Question text, Yes, No. Rows 22-38 covering various IRS schedule requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with 3 columns: Question number, Question text, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and gaming winnings.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee reporting, tax shelter transactions, foreign accounts, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with columns for question number, Yes, and No. Rows include: 1a (16), 1b (10), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with columns for question number, Yes, and No. Rows include: 10a, 10b, 11a, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed KY,
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MS. SUE OTT ROWLANDS DIRECTOR - TERM END IN FY	1.00 37.50	X					0.	293,240.	41,316.	
(2) MR. MICHAEL HALES TREASURER	1.00 37.50	X		X			0.	201,942.	39,155.	
(3) MS. EILEEN WEISENBACH KELLER DIRECTOR	1.00 37.50	X					0.	155,835.	56,655.	
(4) DR. DIANA MCGILL DIRECTOR	1.00 37.50	X					0.	164,304.	32,718.	
(5) MS. MARY UCCI EXECUTIVE DIRECTOR	1.00 37.50	X		X			0.	97,006.	61,115.	
(6) MR. BRANDON HELM DIRECTOR	1.00 37.50	X					0.	48,190.	29,232.	
(7) DR. ALYSSA APPELMAN DIRECTOR	1.00 37.50	X					0.	58,880.	13,015.	
(8) MR. MATTHEW DELANEY DIRECTOR	1.00 0.	X					0.	0.	0.	
(9) DR. ANDE DUROJAIYE DIRECTOR - TERM START IN FY	1.00 0.	X					0.	0.	0.	
(10) DR. AMANDA KOOL DIRECTOR - TERM START IN FY	1.00 0.	X					0.	0.	0.	
(11) MS. NANCY KOORS DIRECTOR - TERM START IN FY	1.00 0.	X					0.	0.	0.	
(12) DR. SAMANTHA LANGLEY CHAIR	1.00 0.	X		X			0.	0.	0.	
(13) DR. KAREN O'CONNELL VICE CHAIR	1.00 0.	X		X			0.	0.	0.	
(14) MR. DOV ROSENBERG SECRETARY	1.00 0.	X		X			0.	0.	0.	

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions) . .	1e	1,704,087.				
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	655,338.				
	g Noncash contributions included in lines 1a-1f.	1g	\$				
	h Total. Add lines 1a-1f			2,359,425.			
	Program Service Revenue			Business Code			
2a _____							
b _____							
c _____							
d _____							
e _____							
g Total. Add lines 2a-2f				0.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		0.				
	4 Income from investment of tax-exempt bond proceeds . .		0.				
	5 Royalties		0.				
	6a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)			0.			
	7a Gross amount from sales of assets other than inventory	7a	(i) Securities				
			(ii) Other				
	b Less: cost or other basis and sales expenses . .	7b					
	c Gain or (loss)	7c					
	d Net gain or (loss)			0.			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a		0.			
				0.			
b Less: direct expenses	8b		0.				
c Net income or (loss) from fundraising events			0.				
9a Gross income from gaming activities. See Part IV, line 19	9a		0.				
			0.				
b Less: direct expenses	9b		0.				
c Net income or (loss) from gaming activities			0.				
10a Gross sales of inventory, less returns and allowances	10a		0.				
			0.				
b Less: cost of goods sold	10b		0.				
c Net income or (loss) from sales of inventory			0.				
Miscellaneous Revenue			Business Code				
	11a _____						
	b _____						
	c _____						
	d All other revenue						
e Total. Add lines 11a-11d			0.				
12 Total revenue. See instructions			2,359,425.				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	2,204,427.	2,204,427.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.			
7 Other salaries and wages	0.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0.			
9 Other employee benefits	0.			
10 Payroll taxes	0.			
11 Fees for services (nonemployees):				
a Management	0.			
b Legal	0.			
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	0.			
12 Advertising and promotion	0.			
13 Office expenses	0.			
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	0.			
17 Travel	0.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	0.			
23 Insurance	0.			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a _____				
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	2,204,427.	2,204,427.		
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	0.	1	0.
	2	Savings and temporary cash investments	12,371,166.	2	1,045,815.
	3	Pledges and grants receivable, net	410,759.	3	293,084.
	4	Accounts receivable, net.	186,358.	4	78,850.
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	5	0.
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B).	0.	6	0.
	7	Notes and loans receivable, net	0.	7	0.
	8	Inventories for sale or use	0.	8	0.
	9	Prepaid expenses and deferred charges	0.	9	8,363.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D		10a	
	b	Less: accumulated depreciation.		10b	
	11	Investments - publicly traded securities	0.	11	0.
	12	Investments - other securities. See Part IV, line 11.	0.	12	0.
	13	Investments - program-related. See Part IV, line 11.	0.	13	0.
	14	Intangible assets	0.	14	0.
	15	Other assets. See Part IV, line 11	870.	15	0.
16	Total assets. Add lines 1 through 15 (must equal line 33)	12,969,153.	16	1,426,112.	
Liabilities	17	Accounts payable and accrued expenses	98,800.	17	21,800.
	18	Grants payable	0.	18	0.
	19	Deferred revenue.	404,833.	19	303,448.
	20	Tax-exempt bond liabilities.	0.	20	0.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.	11,519,654.	21	0.
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	22	0.
	23	Secured mortgages and notes payable to unrelated third parties	0.	23	0.
	24	Unsecured notes and loans payable to unrelated third parties.	0.	24	0.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0.	25	0.
	26	Total liabilities. Add lines 17 through 25.	12,023,287.	26	325,248.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.				
	27	Net assets without donor restrictions	934,694.	27	1,065,936.
	28	Net assets with donor restrictions.	11,172.	28	34,928.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.				
	29	Capital stock or trust principal, or current funds		29	
	30	Paid-in or capital surplus, or land, building, or equipment fund.		30	
	31	Retained earnings, endowment, accumulated income, or other funds.		31	
32	Total net assets or fund balances	945,866.	32	1,100,864.	
33	Total liabilities and net assets/fund balances.	12,969,153.	33	1,426,112.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,359,425.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,204,427.
3	Revenue less expenses. Subtract line 2 from line 1	3	154,998.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	945,866.
5	Net unrealized gains (losses) on investments	5	0.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain on Schedule O).	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	1,100,864.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII.

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits . . .	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization **NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.**

Employer identification number
20-1787893

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,321,212.	2,445,782.	2,072,721.	2,338,286.	2,359,425.	13,537,426.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3.	4,321,212.	2,445,782.	2,072,721.	2,338,286.	2,359,425.	13,537,426.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0.
6 Public support. Subtract line 5 from line 4						13,537,426.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
7 Amounts from line 4.	4,321,212.	2,445,782.	2,072,721.	2,338,286.	2,359,425.	13,537,426.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						0.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						0.
11 Total support. Add lines 7 through 10						13,537,426.

12 Gross receipts from related activities, etc. (see instructions) **12**

13 **First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f))	14	100.00 %
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	100.00 %

16a **33 1/3% support test - 2020.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.

b **33 1/3% support test - 2019.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test - 2020.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization.

b **10%-facts-and-circumstances test - 2019.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization.

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2020. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . ▶

b 33 1/3% support tests - 2019. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b	Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c	Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

		Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?		
a	A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization?	11a	
b	A family member of a person described in line 11a above?	11b	
c	A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>	11c	

Section B. Type I Supporting Organizations

		Yes	No
1	Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	1	
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	2	

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>	1	

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
3	By reason of the relationship described in line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2	Activities Test. Answer lines 2a and 2b below.	Yes	No
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	2a	
b	Did the activities described in line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>	2b	
3	Parent of Supported Organizations. Answer lines 3a and 3b below.		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No," provide details in Part VI.</i>	3a	
b	Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):	1e	
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2020 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2020	(iii) Distributable Amount for 2020
1	Distributable amount for 2020 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i>). See instructions.		
3	Excess distributions carryover, if any, to 2020		
a	From 2015		
b	From 2016		
c	From 2017		
d	From 2018		
e	From 2019		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2020 distributable amount		
i	Carryover from 2015 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2020 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2020 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
6	Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
7	Excess distributions carryover to 2021. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2016		
b	Excess from 2017		
c	Excess from 2018		
d	Excess from 2019		
e	Excess from 2020		

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Schedule of Contributors

2020

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization
NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

Employer identification number
20-1787893

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC. Employer identification number 20-1787893

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	US DEPARTMENT OF EDUCATION 400 MARYLAND AVENUE, SW WASHINGTON, DC 20202	\$ 507,474.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	KY CABINET FOR HEALTH & FAMILY SERVICES 275 EAST MAIN STREET FRANKFORT, KY 40621	\$ 654,959.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	KY HIGHER EDUCATION ASSISTANCE AUTHORITY 100 AIRPORT ROAD FRANKFORT, KY 40602	\$ 445,938.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	AMERICORPS 51 N HIGH STREET COLUMBUS, OH 43215	\$ 72,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC.	Employer identification number 20-1787893
--	---

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization **NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC.** Employer identification number **20-1787893**

Part III *Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____*
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
_____		_____	
_____		_____	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2020

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC.

Employer identification number 20-1787893

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items., 1b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1., (ii) Assets included in Form 990, Part X., 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1., b Assets included in Form 990, Part X.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2020

JSA 0E1268 1.000

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
a Public exhibition
b Scholarly research
c Preservation for future generations
d Loan or exchange program
e Other
4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIII and complete the following table:
Table with columns: Amount, 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance
2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?
b If "Yes," explain the arrangement in Part XIII.

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

- Table with columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back
1a Beginning of year balance
b Contributions
c Net investment earnings, gains, and losses
d Grants or scholarships
e Other expenditures for facilities and programs
f Administrative expenses
g End of year balance
2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
a Board designated or quasi-endowment %
b Permanent endowment %
c Term endowment %
3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
(i) Unrelated organizations
(ii) Related organizations
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Table with columns: Description of property, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value
1a Land
b Buildings
c Leasehold improvements
d Equipment
e Other
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Rows include (1) Financial derivatives, (2) Closely held equity interests, (3) Other (A-H), and Total.

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment, (b) Book value, (c) Method of valuation. Rows (1) through (9) and Total.

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value. Rows (1) through (9) and Total.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

Table with 2 columns: (a) Description of liability, (b) Book value. Row 1 includes (1) Federal income taxes, rows (2) through (9), and Total.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII .

Part XIII Supplemental Information (continued)

PART II, LINE 2

THE RESEARCH FOUNDATION ADMINISTERS THE STREAM CORRIDOR RESTORATION FUND UNDER AN AGREEMENT WITH THE NKU CENTER FOR ENVIRONMENTAL RESTORATION AND THE US ARMY CORPS OF ENGINEERS.

PART II, LINE 9

THE CONSERVATION EASEMENT FUNDS ARE HELD AS AGENCY FUNDS. THEREFORE, THE FUNDS ARE REFLECTED IN THE BALANCE SHEET ONLY.

PART IV, LINE 2B

STREAM CORRIDOR AND WETLAND RESTORATION FUNDS ARE HELD AS AGENCY FUNDS IN A CUSTODIAL FUND.

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

Department of the Treasury
Internal Revenue Service

Name of the organization
NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2020

Open to Public
Inspection

Employer identification number
20-1787893

Part I General information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOVT	1,559,526.				PUBLIC SERVICES
(2) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOVT	183,428.				STUDENT SERVICES
(3) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOVT	330,516.				RESEARCH
(4) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOVT	10,703.				ACADEMIC SUPPORT
(5) NORTHERN KENTUCKY UNIVERSITY NUNN DRIVE HIGHLAND HEIGHTS, KY 41099	61-1010545	GOVT	120,254.				GENERAL - NONMANDATORY
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 1.
- 3 Enter total number of other organizations listed in the line 1 table 1.

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) 2020

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b); and any other additional information.

PART I, LINE 2

SCHEDULE I, PART I, LINE 2

PROCEDURES FOR MONITORING GRANTS

THE RESEARCH FOUNDATION MAKES GRANTS TO NORTHERN KENTUCKY UNIVERSITY, A

RELATED ENTITY. GRANTS ARE MADE TO PROMOTE AND IMPLEMENT SCIENTIFIC AND

EDUCATIONAL ACTIVITIES. GRANTS ARE DOCUMENTED AND MADE PURSUANT TO

RESEARCH FOUNDATION POLICIES AND PROCEDURES.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2020

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

Employer identification number
20-1787893

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (such as maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (such as maid, chauffeur, chef)									
<p>b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	1b									
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?</p>	2									
<p>3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee									
<p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in or receive payment from a supplemental nonqualified retirement plan?</p> <p>c Participate in or receive payment from an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4a	X								
	4b	X								
	4c	X								
<p>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p>										
<p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" on line 5a or 5b, describe in Part III.</p>	5a	X								
	5b	X								
<p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes" on line 6a or 6b, describe in Part III.</p>	6a	X								
	6b	X								
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.</p>	7	X								
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	X								
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9									

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2020

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MR. MICHAEL HALES TREASURER	0.	0.	0.	0.	0.	0.	0.
DR. DIANA MCGILL	201,553.	0.	389.	13,635.	25,520.	241,097.	0.
2 DIRECTOR	0.	0.	0.	0.	0.	0.	0.
MS. MARY UCCI	158,981.	0.	5,323.	15,289.	17,429.	197,022.	0.
3 EXECUTIVE DIRECTOR	0.	0.	0.	0.	0.	0.	0.
MS. ELLEN WEISENBACH K	96,797.	0.	209.	29,858.	31,257.	158,121.	0.
4 DIRECTOR	0.	0.	0.	0.	0.	0.	0.
MS. SUE OTT ROWLANDS	155,736.	0.	99.	14,473.	42,182.	212,490.	0.
5 DIRECTOR - TERM END IN FY	0.	0.	0.	0.	0.	0.	0.
6	283,344.	0.	9,896.	25,168.	16,148.	334,556.	0.
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3

THE EXECUTIVE DIRECTOR OF NORTHERN KENTUCKY UNIVERSITY RESEARCH FOUNDATION, INC. IS COMPENSATED BY THE RELATED ORGANIZATION, NORTHERN KENTUCKY UNIVERSITY. THE UNIVERSITY'S CLASSIFICATION SYSTEM ESTABLISHES APPROPRIATE RELATIONSHIPS BETWEEN POSITIONS AND LEVELS OF COMPENSATION. THE ASSIGNMENT OF A POSITION TO A PAY LEVEL IS THE RESPONSIBILITY OF THE NKU DEPARTMENT OF HUMAN RESOURCES. THE SYSTEM IS DESIGNED TO PROVIDE A FAIR AND CONSISTENT BASIS FOR THE PAYMENT OF WAGES AND SALARIES AND AN ASSURANCE THAT EMPLOYEES IN POSITIONS OF A SIMILAR NATURE ARE COMPENSATED AT SIMILAR LEVELS. THE DEPARTMENT OF HUMAN RESOURCES IS RESPONSIBLE FOR THE MAINTENANCE OF THE CLASSIFICATION SYSTEM AND CONDUCTS REVIEWS AS ARE NECESSARY TO ENSURE ITS CONTINUED ADEQUACY AND PRACTICABILITY.

**SCHEDULE O
(Form 990 or 990-EZ)**

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

2020

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Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization
NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

Employer identification number
20-1787893

FORM 990, PART I, LINE 1

ORGANIZATIONS MISSION

THE PRIMARY PURPOSE OF THE RESEARCH FOUNDATION IS TO PROMOTE AND
IMPLEMENT SCIENTIFIC AND EDUCATIONAL ACTIVITIES FOR NORTHERN KENTUCKY
UNIVERSITY THROUGH THE COORDINATION OF EXTRAMURALLY SPONSORED AND NKU
FOUNDATION, INC. SUPPORTED PROGRAMS, INCLUDING ADMINISTRATION OF
CONSERVATION EASEMENTS.

FORM 990, PART VI, SECTION B, LINE 11B

PROCESS TO REVIEW FORM 990

A FINAL COPY OF THE FORM 990 IS PROVIDED TO EACH BOARD MEMBER PRIOR TO
FILING WITH THE IRS. A REVIEW IS CONDUCTED BY THE EXECUTIVE COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 12C

ORGANIZATION'S PRACTICE FOR MONITORING COMPLIANCE

A CONFLICT OF INTEREST POLICY IS INCORPORATED INTO THE BYLAWS OF THE
RESEARCH FOUNDATION. THE POLICY REQUIRES OFFICERS AND DIRECTORS TO
DISCLOSE POTENTIAL CONFLICTS FOR THEMSELVES AND THEIR FAMILY MEMBERS. A
QUESTIONNAIRE IS DISTRIBUTED ANNUALLY TO EACH OFFICER AND DIRECTOR FOR
DISCLOSURE PURPOSES. POSSIBLE CONFLICTS ARE HANDLED PER ESTABLISHED
UNIVERSITY POLICY.

Name of the organization NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

Employer identification number
20-1787893

FORM 990, PART VI, SECTION B, LINE 15

COMPENSATION REVIEW PROCESS

THE ORGANIZATION'S EXECUTIVE DIRECTOR AND CERTAIN BOARD MEMBERS ARE
COMPENSATED BY THE RELATED ORGANIZATION, NORTHERN KENTUCKY UNIVERSITY.

FORM 990, PART VI, SECTION C, LINE 19

GOVERNING DOCUMENTS, CONFLICT OF INTEREST, AND FINANCIAL STATEMENTS

THE IRS FORM 990 IS AVAILABLE UPON REQUEST. THE ARTICLES OF INCORPORATION
AND BYLAWS, WHICH INCLUDE A CONFLICT OF INTEREST POLICY ARE MADE
AVAILABLE UPON REQUEST FOR PUBLIC INSPECTION. THE UNIVERSITY'S
CONSOLIDATED FINANCIAL INFORMATION APPEAR ON THE UNIVERSITY'S WEBSITE.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE RESEARCH FOUNDATION IS ORGANIZED FOR EDUCATIONAL PURPOSES TO
SUPPORT NKU'S EFFORTS TO PROMOTE THE DEVELOPMENT, IMPLEMENTATION AND
COORDINATION OF SPONSORED PROGRAMS INVOLVING INSTRUCTION, PUBLIC
SERVICE, AND RESEARCH. THIS INCLUDES THE ADMINISTRATION OF
CONSERVATION EASEMENTS AND OTHER PROJECTS THAT FURTHER THE MISSION OF
NORTHERN KENTUCKY UNIVERSITY.

ATTACHMENT 2

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

<u>DESCRIPTION</u>	<u>GRANTS</u>	<u>EXPENSES</u>	<u>REVENUE</u>
NONMANDATORY	120,254.	120,254.	
TOTALS	<u>120,254.</u>	<u>120,254.</u>	

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization
NORTHERN KENTUCKY UNIVERSITY RESEARCH
FOUNDATION, INC.

Employer identification number
20-1787893

OMB No. 1545-0047

2020

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Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	NORTHERN KENTUCKY UNIVERSITY 61-1010545 HIGHLAND HEIGHTS, KY 41099 NUNN DRIVE	EDUCATION	KY			NA		X
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2020

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
								Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
									Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-e)	(c) Amount involved	(d) Method of determining amount involved
(1)	NORTHERN KENTUCKY UNIVERSITY	B	2,204,427.	BOOK VALUE
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(1)	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
					Yes	No			Yes	No		Yes	No	
(1)														
(2)														
(3)														
(4)														
(5)														
(6)														
(7)														
(8)														
(9)														
(10)														
(11)														
(12)														
(13)														
(14)														
(15)														
(16)														

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

**Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))**

2020

For calendar year 2020 or other tax year beginning July 1, 2020, and ending June 30, 20 21

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Department of the Treasury
Internal Revenue Service

**Open to Public Inspection
for 501(c)(3)
Organizations Only**

A <input type="checkbox"/> Check box if address changed.	B Exempt under section <input type="checkbox"/> 501() () <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <input type="checkbox"/> 529A	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) Northern Kentucky University Number, street, and room or suite no. If a P.O. box, see instructions. Lucas Administrative Center 601, Nunn Drive City or town, state or province, country, and ZIP or foreign postal code Highland Heights, KY 41099	D Employer identification number 61-1010545 E Group exemption number (see instructions) F <input type="checkbox"/> Check box if an amended return.
C Book value of all assets at end of year ▶ 541,157,000				
G Check organization type ▶ <input type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust <input checked="" type="checkbox"/> Applicable reinsurance entity				
H Check if filing only to ▶ <input type="checkbox"/> Claim credit from Form 8941 <input type="checkbox"/> Claim a refund shown on Form 2439				
I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ▶ <input type="checkbox"/>				
J Enter the number of attached Schedules A (Form 990-T) ▶ 1				
K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? ▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the name and identifying number of the parent corporation ▶				
L The books are in care of ▶ Benjamin Figueroa Telephone number ▶ (859) 572-5124				

Part I Total Unrelated Business Taxable Income		
1	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1 (617,204.65)
2	Reserved	2
3	Add lines 1 and 2	3 (617,204.65)
4	Charitable contributions (see instructions for limitation rules)	4
5	Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5 (617,204.65)
6	Deduction for net operating loss. See instructions	6
7	Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7 (617,204.65)
8	Specific deduction (generally \$1,000, but see instructions for exceptions)	8 1,000.00
9	Trusts. Section 199A deduction. See instructions	9
10	Total deductions. Add lines 8 and 9	10 (618,204.65)
11	Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11 0

Part II Tax Computation		
1	Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21) ▶	1 0
2	Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶	2
3	Proxy tax. See instructions ▶	3
4	Other tax amounts. See instructions	4
5	Alternative minimum tax (trusts only)	5
6	Tax on noncompliant facility income. See instructions	6
7	Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7 0

Part III Tax and Payments

1a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a		
b	Other credits (see instructions)	1b		
c	General business credit. Attach Form 3800 (see instructions)	1c		
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	1d		
e	Total credits. Add lines 1a through 1d	1e		
2	Subtract line 1e from Part II, line 7	2		
3	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)	3		
4	Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here	4		
5	2020 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 4	5		
6a	Payments: A 2019 overpayment credited to 2020	6a		
b	2020 estimated tax payments. Check if section 643(g) election applies <input type="checkbox"/>	6b		
c	Tax deposited with Form 8868	6c		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	6d		
e	Backup withholding (see instructions)	6e		
f	Credit for small employer health insurance premiums (attach Form 8941)	6f		
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	6g		
7	Total payments. Add lines 6a through 6g	7		
8	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	8		
9	Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed	9		
10	Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid	10		
11	Enter the amount of line 10 you want: Credited to 2021 estimated tax Refunded	11		

Part IV Statements Regarding Certain Activities and Other Information (see instructions)

	Yes	No
1 At any time during the 2020 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here		✓
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		✓
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ 524,372.69		
4a Did the organization change its method of accounting? (see instructions)		✓
b If 4a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V		

Part V Supplemental Information

Provide the explanation required by Part IV, line 4b. Also, provide any other additional information. See instructions.

The organization is a state university that has not obtained a determination of exemption under section 501(c)(3).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN			
	Firm's address	Phone no.			

**SCHEDULE A
(Form 990-T)**

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

OMB No. 1545-0047

2020

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

A Name of the organization Northern Kentucky University	B Employer identification number 61-1010545
C Unrelated business activity code (see instructions) ▶ 713940	D Sequence: 1 of 1

E Describe the unrelated trade or business ▶ **Recreation Center**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>298,726.99</u>				
b Less returns and allowances _____ c Balance ▶	1c	298,726.99		
2 Cost of goods sold (Part III, line 8)	2			
3 Gross profit. Subtract line 2 from line 1c	3	298,726.99		298,726.99
4a Capital gain net income (attach Sch D (Form 1041 or Form 1120)) (see instructions)	4a			
b Net gain (loss) (Form 4797) (attach Form 4797) (see instructions)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5			
6 Rent income (Part IV)	6			
7 Unrelated debt-financed income (Part V)	7			
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)	8			
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	9			
10 Exploited exempt activity income (Part VIII)	10			
11 Advertising income (Part IX)	11			
12 Other income (see instructions; attach statement)	12			
13 Total. Combine lines 3 through 12	13	298,726.99		298,726.99

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) Deductions must be directly connected with the unrelated business income		(A) Income	(B) Expenses	(C) Net
1 Compensation of officers, directors, and trustees (Part X)	1			
2 Salaries and wages	2			248,988.62
3 Repairs and maintenance	3			
4 Bad debts	4			
5 Interest (attach statement) (see instructions)	5			
6 Taxes and licenses	6			
7 Depreciation (attach Form 4562) (see instructions)	7	490,808.45		
8 Less depreciation claimed in Part III and elsewhere on return	8a			490,808.45
9 Depletion	9			
10 Contributions to deferred compensation plans	10			68,546.75
11 Employee benefit programs	11			44,675.72
12 Excess exempt expenses (Part VIII)	12			
13 Excess readership costs (Part IX)	13			
14 Other deductions (attach statement)	14			62,912.10
15 Total deductions. Add lines 1 through 14	15			915,931.64
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)	16			(617,204.65)
17 Deduction for net operating loss (see instructions)	17			
18 Unrelated business taxable income. Subtract line 17 from line 16	18			(617,204.65)

Part III Cost of Goods Sold Enter method of inventory valuation ►

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and in Part I, line 2	8	
9	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use (see instructions)

A _____

B _____

C _____

D _____

	A	B	C	D
2 Rent received or accrued				
a From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)				
b From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)				
c Total rents received or accrued by property. Add lines 2a and 2b, columns A through D				
3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A) ► _____				
4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement)				
5 Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B) ► _____				

Part V Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use (see instructions)

A _____

B _____

C _____

D _____

	A	B	C	D
2 Gross income from or allocable to debt-financed property				
3 Deductions directly connected with or allocable to debt-financed property				
a Straight line depreciation (attach statement)				
b Other deductions (attach statement)				
c Total deductions (add lines 3a and 3b, columns A through D)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement)				
5 Average adjusted basis of or allocable to debt-financed property (attach statement)				
6 Divide line 4 by line 5	%	%	%	%
7 Gross income reportable. Multiply line 2 by line 6				
8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A) ► _____				
9 Allocable deductions. Multiply line 3c by line 6				
10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B) ► _____				
11 Total dividends - received deductions included in line 10 ► _____				

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on Part I, line 8, column (A)

Add columns 6 and 11. Enter here and on Part I, line 8, column (B)

Totals ▶

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add columns 3 and 4)
(1)				
(2)				
(3)				
(4)				

Add amounts in column 2. Enter here and on Part I, line 9, column (A)

Add amounts in column 5. Enter here and on Part I, line 9, column (B)

Totals ▶

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____	
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7	4
5	Gross income from activity that is not unrelated business income	5
6	Expenses attributable to income entered on line 5	6
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7

Part IX Advertising Income

1 Name(s) of periodical(s). Check box if reporting two or more periodicals on a consolidated basis.

- A**
- B**
- C**
- D**

Enter amounts for each periodical listed above in the corresponding column.

	A	B	C	D
2 Gross advertising income				
a Add columns A through D. Enter here and on Part I, line 11, column (A)	▶ _____			
3 Direct advertising costs by periodical				
a Add columns A through D. Enter here and on Part I, line 11, column (B)	▶ _____			
4 Advertising gain (loss). Subtract line 3 from line 2. For any column in line 4 showing a gain, complete lines 5 through 8. For any column in line 4 showing a loss or zero, do not complete lines 5 through 7, and enter zero on line 8				
5 Readership costs				
6 Circulation income				
7 Excess readership costs. If line 6 is less than line 5, subtract line 6 from line 5. If line 5 is less than line 6, enter zero				
8 Excess readership costs allowed as a deduction. For each column showing a gain on line 4, enter the lesser of line 4 or line 7				
a Add line 8, columns A through D. Enter the greater of the line 8a, columns total or zero here and on Part II, line 13	▶ _____			

Part X Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percentage of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	

Total. Enter here and on Part II, line 1 ▶ _____

Part XI Supplemental Information (see instructions)

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return Northern Kentucky University	Business or activity to which this form relates 713940, Recreation Center	Identifying number 61-1010545
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13 Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12 ▶	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	490,808.45

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2020	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a Class life						
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? **Yes** **No** **24b** If "Yes," is the evidence written? **Yes** **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions .						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 .							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (don't include commuting miles) .												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions.		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2020 tax year (see instructions):					
43 Amortization of costs that began before your 2020 tax year				43	
44 Total. Add amounts in column (f). See the instructions for where to report					44