BerryDunn

UNE UNIVERSITY OF NEW ENGLAND

INNOVATION FOR A HEALTHIER PLANET

FINANCIAL STATEMENTS
with
FEDERAL REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE UNIFORM GUIDANCE
and
RELATED SUPPLEMENTARY INFORMATION

May 31, 2026 and 2025
With Independent Auditor's Report

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
University of New England

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the University of New England (the University), which comprise the statements of financial position as of May 31, 2026 and 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of May 31, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 within one year after the date that the financial statements were issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Financial Responsibility Supplemental Schedule is presented for purposes of additional analysis as required by the U.S. Department of Education and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2026 on our consideration of the University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University’s internal control over financial reporting and compliance.

BDMP Assurance, LLP

Manchester, New Hampshire
September 18, 2026

UNIVERSITY OF NEW ENGLAND

Statements of Financial Position

May 31, 2026 and 2025

ASSETS

	2026	2025
Cash and cash equivalents	**$ 32,262,711**	$ 53,493,580
Short-term investments	**21,663,737**	328,648
Accounts receivable, less allowance for credit losses and contractual allowances of $1,996,480 and $1,423,068 in 2026 and 2025, respectively	**9,582,933**	7,215,829
Grants and contracts receivable	**5,176,350**	5,493,496
Prepaid expenses and other assets	**5,508,839**	4,412,740
Unconditional promises to give, net	**22,810,848**	20,531,239
Loans to students, less allowance for credit losses of $285,700 and $304,676 in 2026 and 2025, respectively	**869,405**	1,436,362
Long-term investments	**548,723,729**	442,742,287
Assets whose use is limited	**66,596,604**	22,855,548
Right of use assets	**8,079,629**	10,283,435
Property, plant, and equipment, net of accumulated depreciation	**300,752,215**	279,138,461
Total assets	**$ 1,022,027,000**	$ 847,931,625

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	**$ 25,592,972**	$ 20,519,671
Unearned tuition and fees	**23,698,045**	20,955,682
Student deposits and credits	**596,270**	675,932
Deferred grants and contracts revenue	**1,366,222**	1,073,810
Refundable student loan programs	**1,768,195**	2,215,136
Bonds payable, net	**198,236,386**	143,235,713
Lease obligations	**9,731,639**	11,884,715
Other long-term liabilities	**1,887,873**	1,814,945
Total liabilities	**262,877,602**	202,375,604
Net assets		
Without donor restrictions	**686,302,961**	583,213,528
With donor restrictions	**72,846,437**	62,342,493
Total net assets	**759,149,398**	645,556,021
Total liabilities and net assets	**$ 1,022,027,000**	$ 847,931,625

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

UNIVERSITY OF NEW ENGLAND

Statement of Activities

Year Ended May 31, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support			
Educational and general, net of $51,680,004 in scholarships	$ 196,195,046	$ -	$ 196,195,046
Auxiliary enterprises	35,151,857	379,615	35,531,472
Gifts, grants, and contracts	17,178,900	3,195,137	20,374,037
Investment income - other	2,200,892	-	2,200,892
Spending policy investment income availed	7,294,400	2,731,400	10,025,800
Other income	1,785,808	-	1,785,808
Total operating revenues and support	259,806,903	6,306,152	266,113,055
Net assets released from restrictions for current operations	5,783,165	(5,783,165)	-
Total operating revenues, support, and releases	265,590,068	522,987	266,113,055
Expenses			
Program	201,887,593	-	201,887,593
Administrative	36,011,241	-	36,011,241
Total expenses	237,898,834	-	237,898,834
Change in net assets from current operations	27,691,234	522,987	28,214,221
Non-operating income			
Gifts, grants, and contracts	3,322,237	2,229,055	5,551,292
Investment income, net of spending policy investment income availed	72,037,758	7,785,477	79,823,235
Other income	4,629	-	4,629
Net non-operating income	75,364,624	10,014,532	85,379,156
Net assets released from restrictions for capital projects	33,575	(33,575)	-
Change in net assets from non-operating activities	75,398,199	9,980,957	85,379,156
Total change in net assets	103,089,433	10,503,944	113,593,377
Net assets at beginning of year	583,213,528	62,342,493	645,556,021
Net assets at end of year	$ 686,302,961	$ 72,846,437	$ 759,149,398

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

UNIVERSITY OF NEW ENGLAND

Statement of Activities

Year Ended May 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support			
Educational and general, net of $48,388,098 in scholarships	$ 179,114,693	$ -	$ 179,114,693
Auxiliary enterprises	32,948,790	164,733	33,113,523
Gifts, grants, and contracts	20,233,023	3,394,573	23,627,596
Investment income - other	4,226,501	-	4,226,501
Spending policy investment income availed	3,749,900	1,716,500	5,466,400
Other income	1,212,149	-	1,212,149
Total operating revenues and support	241,485,056	5,275,806	246,760,862
Net assets released from restrictions for current operations	4,157,922	(4,157,922)	-
Total operating revenues, support, and releases	245,642,978	1,117,884	246,760,862
Expenses			
Program	192,014,091	-	192,014,091
Administrative	35,668,792	-	35,668,792
Total expenses	227,682,883	-	227,682,883
Change in net assets from current operations	17,960,095	1,117,884	19,077,979
Non-operating income (loss)			
Gifts, grants, and contracts	-	17,361,835	17,361,835
Investment income, net of spending policy investment income availed	21,507,138	2,184,922	23,692,060
Other losses	(45,007)	-	(45,007)
Net non-operating income	21,462,131	19,546,757	41,008,888
Net assets released from restrictions for capital projects	32,938,719	(32,938,719)	-
Change in net assets from non-operating activities	54,400,850	(13,391,962)	41,008,888
Total change in net assets	72,360,945	(12,274,078)	60,086,867
Net assets at beginning of year	510,852,583	74,616,571	585,469,154
Net assets at end of year	$ 583,213,528	$ 62,342,493	$ 645,556,021

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

UNIVERSITY OF NEW ENGLAND

Statement of Functional Expenses

Year Ended May 31, 2026

	Program Expenses					Administrative Expenses			
	Instruction and Academic Support	Research and Public Service	Auxiliary Enterprises	Student Services	Total	Institutional Support	Fundraising	Total	Total Expenses
Compensation	$ 68,168,579	$ 7,810,290	$ 7,650,137	$ 14,293,114	$ 97,922,120	$ 11,314,343	$ 2,063,143	$ 13,377,486	$ 111,299,606
Fringe benefits	21,310,326	2,221,584	2,380,953	3,781,286	29,694,149	3,709,871	610,041	4,319,912	34,014,061
Clinical rotations	5,957,755	-	-	-	5,957,755	-	-	-	5,957,755
Repair and maintenance	401,676	54,948	407,216	255,052	1,118,892	1,501,537	-	1,501,537	2,620,429
Outside services	4,002,096	3,779,563	1,189,391	1,895,582	10,866,632	6,392,315	280,769	6,673,084	17,539,716
Other operating costs	9,940,274	1,761,961	5,076,267	5,998,941	22,777,443	7,861,028	395,257	8,256,285	31,033,728
Utilities	1,626,825	224,470	2,263,692	1,041,911	5,156,898	277,438	-	277,438	5,434,336
Marketing and advertising	2,065,123	54	6,022	1,221,917	3,293,116	423,144	5,386	428,530	3,721,646
Dining services	-	-	5,667,565	104,895	5,772,460	-	-	-	5,772,460
Depreciation	5,321,683	734,577	5,443,859	3,409,653	14,909,772	907,917	-	907,917	15,817,689
Interest	1,577,026	217,684	1,613,231	1,010,415	4,418,356	269,052	-	269,052	4,687,408
	$ 120,371,363	$ 16,805,131	$ 31,698,333	$ 33,012,766	$ 201,887,593	$ 32,656,645	$ 3,354,596	$ 36,011,241	$ 237,898,834

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

UNIVERSITY OF NEW ENGLAND

Statement of Functional Expenses

Year Ended May 31, 2025

	Program Expenses					Administrative Expenses			
	Instruction and Academic Support	Research and Public Service	Auxiliary Enterprises	Student Services	Total	Institutional Support	Fundraising	Total	Total Expenses
Compensation	$ 64,622,955	$ 7,165,514	$ 7,000,415	$ 13,082,628	$ 91,871,512	$ 11,067,693	$ 2,154,762	$ 13,222,455	$ 105,093,967
Fringe benefits	19,543,679	2,045,761	2,109,126	3,297,356	26,995,922	3,289,320	636,945	3,926,265	30,922,187
Clinical rotations	5,683,456	-	-	-	5,683,456	-	-	-	5,683,456
Repair and maintenance	1,108,456	153,005	1,128,888	710,199	3,100,548	850,894	-	850,894	3,951,442
Outside services	3,707,488	6,373,994	1,156,705	1,906,578	13,144,765	5,043,629	264,038	5,307,667	18,452,432
Other operating costs	9,769,478	2,848,523	3,368,034	5,833,261	21,819,296	9,705,336	367,313	10,072,649	31,891,945
Utilities	1,515,092	209,016	2,143,190	970,179	4,837,477	258,338	-	258,338	5,095,815
Marketing and advertising	1,763,630	547	13,825	994,294	2,772,296	1,023,164	1,034	1,024,198	3,796,494
Dining services	-	600	5,157,025	132,026	5,289,651	-	-	-	5,289,651
Depreciation	4,504,097	621,721	4,587,120	2,885,818	12,598,756	768,431	-	768,431	13,367,187
Interest	1,394,410	192,477	1,420,113	893,412	3,900,412	237,895	-	237,895	4,138,307
	$ 113,612,741	$ 19,611,158	$ 28,084,441	$ 30,705,751	$ 192,014,091	$ 32,244,700	$ 3,424,092	$ 35,668,792	$ 227,682,883

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

UNIVERSITY OF NEW ENGLAND

Statements of Cash Flows

Years Ended May 31, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Change in net assets	**$ 113,593,377**	$ 60,086,867
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**15,817,689**	13,367,187
Net accretion of bond premiums and cost of issuance	**(551,237)**	(549,158)
Refundable student loan programs – non-operating loss	**44,554**	93,811
Gain on sale of property, plant, and equipment	**(6,300)**	(43,231)
Accretion of asset retirement obligation	**79,834**	76,068
Changes to allowance for credit losses on accounts receivable	**1,033,652**	473,033
Net realized and unrealized gain on investments	**(79,236,705)**	(17,229,163)
Contributions for capital projects and other long-term purposes	**(5,551,292)**	(17,361,835)
Changes in operating assets and liabilities:		
Accounts receivable	**(3,418,756)**	(336,776)
Prepaid expenses and other assets	**(1,096,099)**	171,116
Grants and contracts receivable	**817,268**	1,066,696
Accounts payable and accrued expenses	**784,272**	807,916
Unearned tuition and fees	**2,742,363**	1,676,502
Student deposits and credits	**(79,662)**	(276,978)
Deferred grants and contracts revenue	**292,412**	634,171
Other liabilities	**-**	1,418
Net cash provided by operating activities	**45,265,370**	42,657,644
Cash flows from investing activities		
Proceeds from sale of property, plant, and equipment	**6,300**	63,100
Purchases of property, plant, and equipment	**(32,948,405)**	(34,619,909)
Payments received on student loans	**535,383**	666,874
Purchases of investments	**(212,068,671)**	(217,373,036)
Proceeds from maturities and sales of investments	**163,988,846**	202,173,457
Net cash used by investing activities	**(80,486,547)**	(49,089,514)
Cash flows from financing activities		
Payments of finance lease obligations	**(105,814)**	(102,641)
Contributions received for capital projects and other long-term purposes	**2,771,561**	5,638,029
Issuance of long-term debt	**61,553,077**	-
Cost of debt issuance paid	**(686,167)**	-
Payment of long-term debt	**(5,315,000)**	(5,355,000)
Payments to annuitants	**(30,807)**	(30,857)
Refundable student loan programs-funds returned	**(441,921)**	(690,646)
Other net changes	**(13,565)**	20,485
Net cash provided (used) by financing activities	**57,731,364**	(520,630)
Net increase (decrease) in cash and cash equivalents	**22,510,187**	(6,952,500)
Cash and cash equivalents, beginning of year	**76,349,128**	83,301,628
Cash and cash equivalents, end of year	**$ 98,859,315**	$ 76,349,128
Reconciliation of cash and cash equivalents, and assets whose use is limited		
Cash and cash equivalents	**$ 32,262,711**	$ 53,493,580
Assets whose use is limited	**66,596,604**	22,855,548
	$ 98,859,315	$ 76,349,128

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

Nature of the University

The University of New England (UNE or the University) is a private university, with two coastal Maine campuses, online programs, and study abroad opportunities including a campus in Tangier, Morocco. UNE offers more than 50 bachelor's degrees and over 30 graduate, professional, and doctoral degrees. The University builds on a legacy of health professions programs (including Maine's only medical college, pharmacy and physician assistant programs, and Northern New England's only dental college) and its national leadership in interprofessional health care education. The University's mission is to prepare students to thrive in a rapidly changing world and, in so doing, to improve the health of people, communities, and our planet.

1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the University have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Resources are reported, for accounting purposes, in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into categories as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations or restricted by state law and may be expended for any purpose in performing the primary objectives of the University. These net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that may be perpetual, or may expire with the passage of time, or when actions are taken to meet restrictions. These assets include the corpus and accumulated gains of donor restricted endowment funds, unconditional promises to give and split-interest agreements that are subject to the passage of time, and appropriated endowment funds not yet expended for their restricted purpose.

Contributions, interest and dividends, and investment return comprised of net realized and unrealized gains and losses with donor-imposed or state law restrictions are reported as increases in net assets with donor restrictions. Net assets with donor restrictions that are temporary in nature are reclassified to net assets without donor restrictions when an expenditure is incurred, or the passage of time occurs, that satisfies the donor-imposed or state law restriction.

Contributions restricted for the acquisition of property, plant, and equipment are reported as increases in net assets with donor restrictions. These contributions are reclassified to net assets without donor restrictions when the assets are placed in service.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Statements of Financial Position

Cash and Cash Equivalents

Cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less unless held for meeting restrictions of a capital or endowment nature. The University maintains its cash and cash equivalents with high credit quality financial institutions, which typically exceeds the federally insured limits. The University participates in an Insured Cash Sweep program to maintain Federal Deposit Insurance Corporation coverage on most cash balances held at the financial institutions. The University has not experienced losses on accounts and believes it is not unreasonably exposed to significant credit risk on cash and cash equivalents.

Short-term Investments

Short-term investments are reported at fair value using observable Level 1 and Level 2 inputs and consist primarily of Treasury notes, Treasury bills, and commercial paper with maturities of greater than 90 days and less than 12 months from the date of purchase.

Accounts, Grants, and Contracts Receivable

Accounts receivable consists of amounts due from students, health center patients, and other sundry billings. Grants and contracts receivable consist primarily of federal and state government awards for financial aid, public service, and research activities. Receivables are reported at the amount management expects to collect on balances outstanding at year-end. The University determines its past due receivables based on contractual terms and assesses finance charges on student receivables.

Management's evaluation of the adequacy of the allowance for credit losses of accounts, grants and contract receivables is based on past experience, known and inherent risks, review of specific receivables, and situations that may affect the parties' ability to pay.

Unconditional Promises to Give

Unconditional promises to give consist of long-term pledges recorded at their estimated present value using a discount rate after providing an allowance for uncollectible pledges.

An unconditional promise to give is a written or oral agreement to contribute cash or other assets to the University. Unconditional promises to give that are scheduled to be received after the statement of financial position date are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the restrictions are met. Promises to give subject to a donor-imposed stipulation that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions held in perpetuity.

Contributions to be received beyond one year from the statement of financial position date have been recorded at present value using discount rates ranging from 4.0% to 5.0%. The University uses the reserve method of accounting for uncollectible pledges. Management's evaluation of the adequacy of the allowance is based on past experience, known and inherent risks, review of specific receivables, and adverse situations that may affect the donors' ability to pay.

Conditional Promises to Give

Conditional promises to give are not recorded until specified obligations or barriers such as milestones or performance targets are met.

The University is regularly awarded federal and state grants that are conditional contributions, with revenue to be recorded as conditions are met. These conditions are met based on the underlying contract agreements and have been historically met over the term of the contract. Grants awarded with outstanding conditions to be met at May 31, 2026 and 2025 were approximately $15,522,000 and $15,766,000, respectively.

The University has received notification that it has been named in several wills, revenue from which is recorded once the bequests have been through probate and the contribution can be valued.

Split Interest Agreements

The University is party to various split interest agreements including charitable trusts and pooled life income funds. Assets held in pooled life income funds and charitable gift annuities are included in long-term investments at the fair market value of the underlying assets and the University's obligations under these arrangements are recorded as annuities payable at estimated net present value and are included in other long-term liabilities on the statements of financial position. These liabilities were $210,000 and $216,906 at May 31, 2026 and 2025, respectively.

Loans to Students

The loans receivable from students are stated at the amount the University expects to collect from outstanding balances, which includes adjustments for allowances for credit losses. The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Management's evaluation of the adequacy of the allowance for credit losses of student loan receivables is based on past experience, known and inherent risks, review of specific receivables, and situations that may affect the students' ability to pay. The University has one portfolio segment as the University's loans possess the same characteristics when determining the appropriate level of allowance.

Repayments of principal and interest on student loans receivable generally do not commence until after the borrower graduates or otherwise ceases enrollment. For the majority of loans, interest income is charged from the beginning of the repayment period, which is typically nine months after the borrower ceases to be at least a half time student at an institution of higher education.

Student loans receivable includes both funds advanced to the University by the United States Department of Education (ED) under Federal Student Loan Programs and amounts provided by the University. The University may reloan Federal Nursing Loan (Nursing) and Primary Care Loan (Primary Care) funds after collection, whereas the Federal Perkins Student Loan (Perkins) program, as directed by ED, was terminated and no new Perkins loans are permitted. Amounts advanced by the federal government are ultimately refundable and are classified as refundable student loan programs.

Perkins, Nursing, and Primary Care have provisions for deferment, forbearance, and cancellation of the individual loans. Principal payments, interest, and losses due to cancellation are shared by the University and the U.S. Government in proportion to their share of funds provided. The University is required to maintain separate cash accounts for Federal Student Loans. The balance of these cash accounts is included with assets whose use is limited.

Investments

Investments are stated at fair value in accordance with fair value measurement standards. The fair value measurement standards also provide for a practical expedient of fair value allowing for the use of net asset value (NAV) per share when certain requirements are met. Fair values denominated in foreign currencies, if any, are translated into U.S. dollars using exchange rates prevailing at the end of the fiscal year. Due to the level of risk associated with investment securities, such as interest rates, credit, and overall market volatility, and the level of uncertainty related to the changes in the value of these investments, there is a possibility that changes in value in the near term could materially impact the amounts reported as the fair value of investments at May 31, 2026 and 2025.

The University defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair Value Measurements

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data. The University values Level 2 investments based on quoted prices for similar assets and the fair value market approach, as determined by several factors, including their credit ratings relative to the fixed income with similar maturity and duration.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. Hedge funds-other and real estate funds are valued based on information provided by fund managers and general partners, including underlying fund financial information and investment valuations. Because these valuations incorporate significant unobservable inputs and little or no observable market data, these investments are classified within Level 3 of the fair value hierarchy.

Pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share* (or its equivalent), fair value information by level has not been presented for certain investments valued at the NAV per share reported by the investment manager.

The University's interests in alternative investments are reported at the NAV reported by the investment managers. The University reviews and evaluates the NAVs provided by the investment managers. The University believes that these valuations are a reasonable estimate of fair value as of May 31, 2026, but are subject to uncertainty and therefore, may differ from the value that would have been used had a ready market for the investments existed. The NAV is used as a practical expedient to estimate the fair value of the investments. As of May 31, 2026, the University had no intentions to sell investments at amounts different from NAV. In accordance with U.S. GAAP, the investments for which fair value is measured at NAV using the practical expedient have not been categorized in the fair value hierarchy.

Leases

At the inception of a contract or arrangement, the University determines if the contract or arrangement is, or contains, a lease based on the facts and circumstances. Lease classification then is determined as of the lease commencement date. The University (i) identifies the lease and non-lease components, (ii) determines the consideration of the contract, (iii) determines whether the lease is an operating or finance lease, and (iv) recognizes lease right of use (ROU) assets and lease obligations. At inception, the lease assets and obligations are recorded based on the net present value of lease payments over the expected lease term. The interest rate used by the University to determine net present value is typically the estimated incremental borrowing commensurate with the term of the lease. Some leases may include options to renew or terminate at the direction of the University. The University considers these options in determining the expected lease term at inception when it is reasonably certain that such options will be exercised. Lease obligations and the related ROU assets are not recognized for those leases with an original term of 12 months or less.

Lease payments on operating leases are recognized over the expected lease term on a straight-line basis, while payments on finance leases are recognized using the effective interest rate method. Lease expense on operating leases is reported as other operating costs, whereas finance lease

ROU assets are amortized to expense over the lease term and interest costs are expensed on the lease obligation throughout the lease term.

Property, Plant, and Equipment

Land, buildings, fixtures, and equipment are stated at cost net of accumulated depreciation, or fair value at date of donation in the case of gifts. Gifts of long-lived assets are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Depreciation expense is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Estimated Useful Lives (Years)
Land improvements	20
Buildings and building improvements	20 – 60
Furniture, fixtures, and equipment	5 – 10
Vehicles	5
Software	3

The cost of repairs and maintenance is charged to expense as incurred, whereas major renovations and projects that prolong an asset's useful life are capitalized as property, plant, and equipment. When assets are sold or disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of activities.

Bond Premium, Net of Issuance Costs

A bond premium (including the costs of issuance such as underwriting, bond rating, and legal) resulting from the issuance of debt occurs when the proceeds from a bond issuance exceed the par value of bonds issued. The premium, net of issuance costs, is amortized to interest expense over the bond maturities.

Statements of Activities

Significant aspects of the presentation of the statements of activities include:

- The change in net assets for the two net asset categories described in the Basis of Presentation section above.
- Contributions are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions, in which case they are reported as increases in net assets with donor restrictions.
- Expenses are reported as decreases in net assets without donor restrictions.

- When resources with donor-imposed restrictions (including endowment income allocated under the University's spending formula) are expended for the purposes specified by the donor, the amounts are reclassified from support with donor restrictions to support without donor restrictions. The reclassification appears either in the operating section or non-operating section of the statement of activities as net assets released from restrictions, depending on whether the donor restricted net assets are used for operating purposes (e.g., student aid) or non-operating purposes (e.g., capital projects). Absent explicit donor stipulations about how long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue Recognition

Net educational and general revenues consist primarily of undergraduate and graduate tuition, net of scholarships, and fees derived from courses taught by the University at its Biddeford and Portland, Maine and Tangier, Morocco campuses, as well as from online education courses. Tuition revenue is recognized pro-rata over the applicable period of instruction. Revenue recognition occurs once a student starts attending a course. The University has elected the short-term contract exemption with respect to its performance obligations under its agreements with students which have original terms of less than one year.

The University has an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during the stated refund periods. At the time of withdrawal, revenue recognition amounts are reassessed for the remainder of the instruction period (i.e., the academic semester), net of a student's financial aid amounts, if any, that must be returned to the financial aid provider (e.g., ED).

Auxiliary enterprise revenues include room and board revenues that are recognized over the period the services are provided, health center and oral health clinical service revenues that are recognized as services are performed, net of discounts and contractual allowances, as these services are provided at a point in time and revenue from conferences and property rentals that are recognized when the conference or rental occurs.

Student billings occur in advance of the course start date, and are due prior to the start of the course, unless payment plans have been established. Included in each invoice to the student are all educational related items including tuition, net of scholarships, housing, educational materials, and fees.

Student tuition and fees received in excess of amounts earned and recognized as revenue in the statements of activities are recorded as unearned tuition and fees and student deposits and credits on the statements of financial position. Likewise, the University's remaining obligations for performance under grants and contracts are reported as deferred grants and contracts revenue in the statements of financial position and such amounts, if any, represent grant and contract receipts in excess of amounts recognized as grant and contract revenue in the statements of activities. Accounts receivable and grants and contract receivables totaled $13,547,212 at May 31, 2024, whereas unearned tuition and fees, student deposits and credits, and deferred contracts revenue totaled $20,671,729 at May 31, 2024.

Operations

The statements of activities reflects a subtotal for the change in net assets from current operations. This subtotal reflects revenues and support that the University earned, and expenses incurred for operating purposes. Non-operating activity includes gifts, grants, and contracts for endowment and plant purposes, investment income on investments held for long-term purposes, other income (loss) and net assets released from restriction for capital projects. The University also includes in the operating section endowment income and board designated investment income available for operations as determined by its spending policy, whether drawn or not drawn, and excludes from operations return (loss) on investments in excess of (less than) the endowment income available for operations.

Statements of Functional Expenses

The statements of functional expenses presents expenses among the University's program related purposes (instruction and academic support, research and public service, student services, and auxiliary enterprises) and supporting activities such as institutional support costs and fundraising expenses.

Operations of plant, depreciation, and interest expense are allocated to program and supporting activities based on the relative percentage of plant assets used to support the functional expense category. Fringe benefits are allocated to program and supporting activities based on salaries and wages.

Statements of Cash Flows

The purpose of the statements of cash flows is to reflect the sources and uses of cash in the following categories:

- Operating - Measures cash generated from or used by current operations and excludes gifts for property, plant, equipment, and endowment, and investment gains/losses not used for operations.
- Investing - Measures the cash generated from or used by investments in property, plant, equipment, student loans, and investments.
- Financing - Measures the cash generated or used in financing current and future operations. Includes contributions received for capital projects and long-term investments and also reflects the level of activity during the year for other financing transactions.

The following table summarizes supplemental cash flow information related to leases for the years ended May 31:

		2026		2025
Cash paid for amounts included in liabilities				
Operating cash flows:				
Finance leases	**$**	**308,624**	$	308,624
Operating leases	**$**	**2,300,192**	$	1,036,867
Non-cash lease related items				
ROU assets and lease obligations recognized in the current year:				
Operating leases	**$**	**-**	$	4,881,202

Additional supplemental disclosures of cash flow information include the following:

		2026		2025
Cash paid for interest	**$**	**7,221,739**	$	5,784,532
Noncash transactions:				
Property, plant, and equipment purchases payable to vendors at year-end	**$**	**6,501,023**	$	2,211,995

Tax Status

The University is exempt from income taxes under Internal Revenue Code (Code) Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to income tax.

The University records income tax liabilities and assets using a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The University does not believe that there are any unrecognized tax benefits or costs that should be recorded in the financial statements. The University is subject to audits by taxing jurisdictions and provisions for audit adjustments, if any, are included in the financial statements when estimable.

Reclassification

Certain amounts in the 2025 financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the University has considered transactions or events occurring through September 18, 2026, which was the date that the financial statements were issued.

2. Availability and Liquidity of Financial Assets

The University manages its resources to meet its ongoing operating, debt service, and capital expenditures. Cash inflows from student revenues, investment income, gifts and grants in addition to its available cash and cash equivalents and certain investments without donor-imposed restrictions are currently sufficient to meet annual expenditure requirements. The University also has a line of credit available to meet short-term needs, as described in Note 11.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2026	2025
Cash and cash equivalents	**$ 32,262,711**	$ 53,493,580
Short-term investments	**21,663,737**	328,648
Accounts receivable	**9,582,933**	7,215,829
Grants and contracts receivable	**5,176,350**	5,493,496
Unconditional promises to give, net	**22,810,848**	20,531,239
Long-term investments	**548,723,729**	442,742,287
Less:	**640,220,308**	529,805,079
Net assets with donor-imposed restrictions	**(72,846,437)**	(62,342,493)
Board designated endowments	**(479,128,982)**	(385,169,750)
Plus:		
Expected appropriation of endowment and long-term investment income for unrestricted use within one year	**11,679,795**	7,131,300
	$ 99,924,684	$ 89,424,136

3. Concentration of Credit Risk and Economic Dependency

Accounts receivable and loans to students consist of amounts due from students and other individuals. Credit is extended without collateral.

The University receives significant revenue from federal student financial aid programs and various student loan programs. Future non-compliance with federal regulations, or a change in the laws governing the programs, could severely impact the operations of the University.

4. Promises to Give

Unconditional promises to give are as follows:

	2026	2025
Capital campaigns	**$ 22,412,184**	$ 20,083,074
Scholarships	**570,712**	698,062
Other	**210,745**	371,803
	$ 23,193,641	$ 21,152,939
Receivable in less than one year	**$ 1,313,359**	$ 1,265,446
Receivable in one to five years	**21,880,282**	19,887,493
Total unconditional promises to give	**23,193,641**	21,152,939
Less allowance for uncollectible unconditional promises to give	**(213,093)**	(298,962)
Less discount to present value from 4.0% to 5.0%	**(169,700)**	(322,738)
Net unconditional promises to give	**$ 22,810,848**	**$** 20,531,239

As of May 31, 2026 and 2025, the University has also received pledges from donors conditioned upon future events and performance milestones totaling $4.8 million and $0.5 million, respectively. These amounts will be recognized as revenue in the periods in which the conditions have been fulfilled.

5. Investments

Fair value of investments as of May 31, 2026 including investments measured at net asset value as a practical expedient:

	Total	Level 1	Level 2	Level 3
Short-term investments				
Commercial paper	$ 8,852,969	$ -	$ 8,852,969	$ -
Treasury notes	1,357,879	1,357,879	-	-
Treasury bills	11,264,866	11,264,866	-	-
Cash and cash equivalents awaiting investment	188,023	188,023	-	-
Total short-term investments	21,663,737	$ 12,810,768	$ 8,852,969	$ -
Long-term investments				
Cash and cash equivalents awaiting investment	15,194,290	$ 15,194,290	$ -	$ -
Equities and equity mutual funds	339,889,473	339,889,473	-	-
Fixed income and bond funds	94,185,428	63,679,292	30,506,136	-
Multi-asset funds	531,411	531,411	-	-
Commodities – mutual funds	28,259,213	28,259,213	-	-
Hedge funds – publicly traded	10,280,902	10,280,902	-	-
Hedge funds - other	45,202,578	-	-	45,202,578
Real estate funds	1,731,169	-	-	1,731,169
	535,274,464	$ 457,834,581	$ 30,506,136	$ 46,933,747
Investments measured at NAV	13,449,265			
Total long-term investments	548,723,729			
Total investments	$ 570,387,466			

Investments measured at NAV as of May 31, 2026 include investments in traditional drawdown-style private equity limited partnerships. These investments are not redeemable within the funds. The investment objective of these limited partnerships is to invest in, acquire, hold, and dispose of various limited partnership interests and other opportunistic investments. Distributions are received through the liquidation of the underlying investments. Unfunded commitments related to these investments totaled approximately $21 million as of May 31, 2026.

Fair value of investments as of May 31, 2025:

	Total	Level 1	Level 2	Level 3
Short-term investments				
Cash and cash equivalents awaiting investment	$ 328,648	$ 328,648	$ -	$ -
Total short-term investments	328,648	328,648	-	-
Long-term investments				
Cash and cash equivalents awaiting investment	9,077,812	9,077,812	-	-
Equities and equity mutual funds	275,499,551	275,499,551	-	-
Fixed income and bond funds	93,210,893	61,678,915	30,608,531	923,447
Multi-asset funds	346,821	346,821	-	-
Commodities – mutual funds	13,937,374	13,937,374	-	-
Hedge funds – publicly traded	49,009,991	49,009,991	-	-
Real estate funds	1,659,845	-	-	1,659,845
Total long-term investments	442,742,287	409,550,464	30,608,531	2,583,292
Total investments, at fair value	$ 443,070,935	$ 409,879,112	$ 30,608,531	$ 2,583,292

The University did not have any investments measured at net asset value as of May 31, 2025.

Changes in fair value of assets measured on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following as of May 31:

	2026	2025
Beginning balance	**$ 2,583,292**	$ 1,726,261
Sales	**(923,447)**	(17,536)
Net appreciation (depreciation) in fair value	**71,324**	(48,880)
Transfers in	**45,202,578**	923,447
Ending balance	**$ 46,933,747**	$ 2,583,292

The following summarizes the purposes of investments held as of May 31:

	2026	2025
Short-term investments	**$ 21,663,737**	$ 328,648
Endowment	**540,843,379**	437,030,656
Operating investments	**6,392,688**	4,585,297
Long-term investment pool	**547,236,067**	441,615,953
Split interest agreements' investments	**601,150**	543,940
Other investments	**886,512**	582,394
Total long-term investments	**548,723,729**	442,742,287
Total investments, at fair value	**$ 570,387,466**	$ 443,070,935

The University operates a long-term investment pool for the purpose of investment management and the determination of annual investment income distribution under its spending policy described below. Each individual fund subscribes to, or disposes of, units on the basis of the market value per unit within the long-term investment pool.

For the years ended May 31, 2026 and 2025, the long-term investment pool investment income available for operations was $10,025,800 and $5,466,400, respectively.

Investment custodial and advisory fees were $1,241,296 and $762,557 for the years ended May 31, 2026 and 2025, respectively.

Endowments

The University's endowment consists of approximately 200 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to act as endowments. Net assets associated with endowments, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Relevant Law

The Board of Trustees has interpreted the Maine Uniform Prudent Management of Institutional Funds Act as requiring preservation of the original value of the gifts, as of the gift date, to donor-restricted endowment funds, absent any explicit donor restrictions to the contrary in the gift instrument. As a result of this interpretation for accounting and financial statement purposes, the University classifies the original value of assets donated to the permanent endowment as net assets with donor restrictions held in perpetuity, along with any investment earnings that are directed by the donor to be reinvested in perpetuity (i.e., historic book value).

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions that are temporary in nature until those assets are appropriated for expenditure.

Strategies Employed for Achieving Objectives

The University has adopted investment and spending policies 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 the endowments. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the benchmark as stated in the University's investment policy.

To satisfy its long-term objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and yield (dividends and interest). The University targets a diversified asset allocation that places emphasis on investments primarily in equities and flexible capital, and to a lesser extent in fixed income and real assets to achieve its long-term objectives.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The University's investment policy states that spendable investment income shall not exceed 6% of the average portfolio value based on the portfolio market value at the end of the most recent twenty quarters. In establishing this policy, the University considered the expected return on the endowment to maintain its purchasing power by growing at an average rate equal to planned payouts and inflation. Additional growth will be provided through new gifts, excess investment returns, and internal funding to board designated endowment funds.

Endowment net assets consist of the following as of May 31, 2026:

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds	**$ -**	**$ 61,714,397**	**$ 61,714,397**
Board-designated endowment funds	**479,128,982**	**-**	**479,128,982**
Total endowed net assets	**$ 479,128,982**	**$ 61,714,397**	**$ 540,843,379**

Endowment net assets consist of the following as of May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 52,053,586	$ 52,053,586
Board-designated endowment funds	385,169,750	-	385,169,750
Underwater endowment funds	-	(192,680)	(192,680)
Total endowed net assets	$ 385,169,750	$ 51,860,906	$ 437,030,656

Changes in endowment assets for the year ended May 31, 2026 are as follows:

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, June 1, 2025	**$ 385,169,750**	**$ 51,860,906**	**$ 437,030,656**
Investment income, net of fees	**9,519,153**	**1,270,138**	**10,789,291**
Net appreciation in fair value	**68,738,901**	**9,158,708**	**77,897,609**
Transfer of internal funds	**16,000,000**	**-**	**16,000,000**
Contributions	**-**	**1,956,295**	**1,956,295**
Withdrawal of endowment income	**(298,822)**	**(2,531,650)**	**(2,830,472)**
Endowment net assets, May 31, 2026	**$ 479,128,982**	**$ 61,714,397**	**$ 540,843,379**

Changes in endowment assets for the year ended May 31, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 1, 2024	$ 282,884,403	$ 47,870,053	$ 330,754,456
Investment income, net of fees	8,879,106	1,302,452	10,181,558
Net appreciation in fair value	16,028,719	2,555,990	18,584,709
Transfer of internal funds	77,500,000	-	77,500,000
Contributions	12,684	1,732,069	1,744,753
Withdrawal of endowment income	(135,162)	(1,599,658)	(1,734,820)
Endowment net assets, May 31, 2025	$ 385,169,750	$ 51,860,906	$ 437,030,656

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level of the donors' original gift(s). The deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions with donor-imposed restrictions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. The University has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless specifically prohibited by the donor or relevant laws and regulations. Any deficiencies are reported in net assets with donor restrictions. At May 31, 2026, there were no donor endowment funds below the donor's original gift or stipulated levels. At May 31, 2025, donor endowment funds with a fair value of $15,740,058 were below the donor's original gift or stipulated levels by $192,680.

6. Student Loans Receivable

Student loans receivable consist of the following programs as of May 31:

	2026	2025
Federal Government student loan programs:		
Perkins	**$ 873,788**	$ 1,387,263
Nursing	**5,208**	28,503
Primary Care	**276,109**	325,272
	1,155,105	1,741,038
Less allowance for credit losses	**(285,700)**	(304,676)
Student loans receivable, net	**$ 869,405**	$ 1,436,362

7. Assets Whose Use is Limited

Assets whose use is limited consists of cash equivalents and short-term investments held by the University under contractual arrangements described below.

	2026	2025
Cash and short-term investments held by bond trustee as required under bond agreements:		
Construction funds – 2021 Bonds	**$ 8,638,866**	$ 10,939,784
Construction funds – 2025 Bonds	**47,414,891**	-
Deposits held for future debt service on Bonds	**5,025,516**	5,244,509
	61,079,273	16,184,293
Cash and cash equivalents held separately for student loan programs		
Perkins	**476,071**	1,316,078
Nursing	**23,819**	4,547
Primary Care	**294,560**	314,948
	794,450	1,635,573
Cash and cash equivalents held in escrow for the:		
College of Medicine relocation	**4,014,205**	4,520,819
Other capital projects	**708,676**	514,863
Total assets whose use is limited	**$ 66,596,604**	$ 22,855,548

8. Property, Plant, and Equipment

Property, plant, and equipment is presented at cost less accumulated depreciation as summarized below:

	2026	2025
Land	**$ 8,116,569**	$ 7,058,693
Land improvements	**25,322,423**	23,020,564
Building and improvements	**363,501,080**	357,513,708
Equipment, vehicles, furnishings	**37,669,770**	36,204,803
Works of art	**151,567**	151,567
Construction in progress	**31,828,084**	9,174,063
Property, plant, and equipment, at cost	**466,589,493**	433,123,398
Accumulated depreciation	**(165,837,278)**	(153,984,937)
Property, plant, and equipment, net	**$ 300,752,215**	$ 279,138,461

As of May 31, 2026 and 2025, the University had several construction projects in process. The remaining construction commitments for those projects are immaterial in 2026 and in 2025, remaining construction commitments were approximately $2 million.

The University capitalizes net interest costs for property, plant, and equipment financed with long-term debt. For the years ended May 31, 2026 and 2025, interest capitalized was $1,538,888 and $604,879, respectively.

9. Bonds Payable

A summary of bonds payable, issued by the Maine Health and Higher Educational Facilities Authority (Authority) and Finance Authority of Maine (FAME), is as follows:

Series	Remaining Interest Rates, at Par Value	Annual Principal Payments Ranging From	Final Maturity Date, July 1	**Balance at May 31, 2026**	Balance at May 31, 2025
2017A	3.12 - 5.0%	$1,090,000 - $2,770,000	2047	**$ 39,630,000**	$ 40,680,000
2017B	3.0 - 5.0%	$1,595,000 - $2,785,000	2038	**28,485,000**	30,155,000
2021A	2.75 - 5.0%	$0 - $6,325,000	2051	**41,105,000**	42,040,000
2021B	1.80 - 3.05%	$0 - $2,180,000	2043	**20,995,000**	22,655,000
2025	5.0 - 5.5%	$0 - $10,565,000	2055	**60,000,000**	–
	Total bonds payable, at par value			**190,215,000**	135,530,000
Unamortized premiums				**11,289,711**	10,532,294
Unamortized deferred issuance costs				**(3,268,325)**	(2,826,581)
	Unamortized premiums and deferred issuance costs, net			**8,021,386**	7,705,713
	Bonds payable, net			**$ 198,236,386**	$ 143,235,713

The balances of the unamortized premiums, net of deferred issuance costs, follow:

	Balance at May 31, 2026	Balance at May 31, 2025
2017A and 2017B	**$ 2,222,739**	$ 2,348,099
2021A and 2021B	**4,966,446**	5,357,614
2025	**832,201**	-
	$ 8,021,386	$ 7,705,713

In July 2025, the University issued the Series 2025 bonds. These non-taxable bonds are fixed rate revenue bonds issued at a premium. Maturity dates on the bonds range from 2036 to 2055. The bonds are redeemable at the University option after 2035. The $60 million of bond proceeds will be used to finance various capital projects on the Biddeford and Portland campuses.

In December 2021, the University issued the Series 2021 A and B bonds. A portion of the Series 2021 A and B bonds were placed in irrevocable escrow accounts to refund the Series 2011C through 2016A bonds. The Series 2021 A and B proceeds deposited in the irrevocable escrow accounts (along with debt service reserve funds held by the University and the Authority for those refunded bonds) were determined through an independent valuation so as to be sufficient to pay the principal and interest of the refunded Series 2011C through 2016A bonds through their respective applicable maturity or redemption dates.

In addition to providing those refunding proceeds noted above, the Series 2021 A (non-taxable) and Series B (taxable) bonds provided additional proceeds of $40 and $10 million, respectively, that were deposited in separate construction accounts with the bond trustee. Those construction proceeds were used for the construction, furnishing, and equipping the new center for a health sciences and medical school building on the Portland, Maine campus, as well as other University projects. In fiscal year 2025, the University received approval from the Authority to reallocate the 2021B taxable bond proceeds to fund other capital projects.

As security for its obligation to make payments, the University grants to the Authority and FAME a secured interest in its gross receipts.

The 2017 A bonds were issued for the construction and equipping of certain University facilities and the 2017 B bonds were issued to refinance certain debt obligations of the University.

The agreements contain various covenants regarding such items as additional permitted indebtedness, permitted dispositions, and acquisitions of property, among other requirements. In accordance with the terms of the bond agreements, the University has established certain principal, interest, and construction funds as described in Note 7.

Total interest costs on bonds payable, excluding amortization of bond premiums, net of costs of issuance, and capitalized interest for the years ended May 31, 2026 and 2025 were $8,302,402 and $5,495,393, respectively. Interest income received on bond construction funds, net of arbitrage expense, of $1,807,514 and $485,099 is netted against interest expense for the years ended May 31, 2026 and 2025, respectively.

Future maturities of bonds payable, at par, follow:

2027	$ 4,960,000
2028	5,160,000
2029	5,350,000
2030	5,580,000
2031	5,820,000
Later years	163,345,000
Total	$ 190,215,000

10. Leases

The following table summarizes the University's ROU assets and lease obligations as of May 31:

	2026	2025
ROU assets		
Operating	**$ 3,021,119**	$ 5,030,916
Finance	**5,058,510**	5,252,519
Total ROU assets	**$ 8,079,629**	$ 10,283,435
Lease obligations		
Operating	**$ 3,021,119**	$ 5,068,381
Finance	**6,710,520**	6,816,334
Total lease obligations	**$ 9,731,639**	$ 11,884,715

The finance lease amounts are primarily related to a June 2012 land lease agreement with the American School of Tangier for the University's Morocco campus. Annual lease payments were $308,624 for each of the years ended 2026 and 2025. The lease, with a maximum term of 99 years and tri-annual price increases, may be terminated at the option of the University at the end of each eight-year period. For purposes of determining ROU asset and the lease obligation, the University assumed a lease term through January 2053.

The following table summarizes the University's lease related costs reported in the statements of functional expenses for the years ended May 31:

	2026	2025
Finance Leases		
Depreciation	**$ 194,010**	$ 194,010
Interest	**202,810**	205,984
Operating Leases		
Rent – other operating costs	**1,635,671**	1,037,023
Total lease costs	**$ 2,032,491**	$ 1,437,017

The maturity analysis of the annual undiscounted cash flows reconciled to the carrying value at the net present value of the operating and finance lease obligations is as follows:

	Finance	Operating	Total
2027	$ 308,624	$ 1,663,169	$ 1,971,793
2028	313,452	1,566,392	1,879,844
2029	319,071	-	319,071
2030	319,070	-	319,070
2031	327,047	-	327,047
Later years	8,722,909	-	8,722,909
Total	10,310,173	3,229,561	13,539,734
Less discount	(3,599,653)	(208,442)	(3,808,095)
Total	$ 6,710,520	$ 3,021,119	$ 9,731,639

At May 31, 2026, the weighted average of remaining lease terms was 1.9 years for operating leases and 26.6 years for finance leases and the weighted average discount rate was 3.6% for operating leases and 3.0% for finance leases. At May 31, 2025, the weighted average of remaining lease terms was 2.7 years for operating leases and 27.5 years for finance leases and the weighted average discount rate was 3.6% for operating leases and 3.0% for finance leases.

11. Bank Line of Credit

The University has an unsecured line of credit with M&T Bank. As of May 31, 2026, the line of credit was $30,000,000. The line of credit bears interest at the Secured Overnight Financing Rate (SOFR rate) plus 1.50% and is available through September 2027. The University had no outstanding borrowings as of May 31, 2026 or 2025.

12. Asset Retirement Obligations

The University accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded. As of May 31, 2026, and 2025, the balance of the asset retirement obligation was $1,677,874 and $1,598,039, respectively, and is included in other long-term liabilities on the statements of financial position.

13. Detail of Net Assets

The University's net assets are composed of the following categories (without or with donor restrictions), purposes and designations:

	May 31, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds to support the following activities:			
General University operations	$ 470,056,829	$ 18,035,258	$ 488,092,087
Scholarships	5,198,282	28,444,494	33,642,776
Other purposes	3,558,959	2,189,656	5,748,615
Instructional and research	314,912	8,647,394	8,962,306
Library and collections	-	4,397,595	4,397,595
Total endowment net assets	479,128,982	61,714,397	540,843,379
Other internal designations or donor restrictions:			
Net investment in property, plant, and equipment	157,578,321	-	157,578,321
General University operations	30,913,530	-	30,913,530
Instructional and research	9,134,036	5,117,417	14,251,453
Other purposes	9,548,092	2,214,701	11,762,793
Capital projects	-	3,018,102	3,018,102
Scholarships	-	781,820	781,820
Total other net assets	207,173,979	11,132,040	218,306,019
Total net assets	$ 686,302,961	$ 72,846,437	$ 759,149,398

	May 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds to support the following activities:			
General University operations	$ 377,355,665	$ 15,740,058	$ 393,095,723
Scholarships	4,511,069	23,898,479	28,409,548
Other purposes	3,040,817	4,020,033	7,060,850
Instructional and research	262,199	4,693,557	4,955,756
Library and collections	-	3,508,779	3,508,779
Total endowment net assets	385,169,750	51,860,906	437,030,656
Other internal designations or donor restrictions:			
Net investment in property, plant and equipment	150,801,231	-	150,801,231
General University operations	31,767,496	-	31,767,496
Instructional and research	7,673,126	4,957,065	12,630,191
Other purposes	7,801,925	2,082,102	9,884,027
Capital projects	-	2,731,852	2,731,852
Scholarships	-	710,568	710,568
Total other net assets	198,043,778	10,481,587	208,525,365
Total net assets	$ 583,213,528	$ 62,342,493	$ 645,556,021

Net assets restricted in perpetuity were $41,979,234 and $40,022,939 for the years ended May 31, 2026 and 2025, respectively.

14. Retirement Plan

Retirement benefits for faculty and staff are provided under plans administered by the Teachers Insurance and Annuity Association and the College Retirement Equities Fund and Fidelity. The University's expense under this program is based on the qualifying salaries of the participants and amounted to $6,358,019 and $5,666,791 for the years ended May 31, 2026 and 2025, respectively.

15. Commitments and Contingent Liabilities

The University participates in a number of federal award programs. Although these programs have been audited in accordance with the provisions of the Federal Single Audit Act, as amended in 1996, the final determination of allowability of costs has not occurred. The amount, if any, of expenditures, which may be disallowed by grantor agencies, cannot be determined at this time, although the University expects such amounts to be immaterial.

In the normal course of business, the University may be involved in legal proceedings, claims, and assessments arising from the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance.

The University has entered into long-term service agreements with different vendors. These services include the operation of the dining services, information technology, administrative software maintenance, marketing, student recruitment, and retention. The agreements expire between October 31, 2026 and December 31, 2030. The cost of these services was approximately $43,630,000 and $31,120,000 for the years ended May 31, 2026 and 2025, respectively.

The approximate remaining commitments under current arrangement for these services follow:

2027	$	32,408,000
2028		12,858,000
2029		10,546,000
2030		744,000
2031		112,000
Total	$	56,668,000

16. Related Party Disclosures Required by the U.S. Department of Education

The University's Board of Trustees (the Board) and senior management may, from time to time, be associated, either directly or indirectly, with conducting business with the University. All members of the University's Board are required to submit a conflict of interest report on an annual basis and to report any potential conflicts that may arise in the interim. Senior administrators and all employees are annually required to review the University's Codes of Conduct and Conflict of Interest policies and report conflicts of interest to their immediate supervisor or senior administration for resolution. Declared trustee conflicts are reported to the chair of the Legal Affairs and Audit Committee of the Board and subsequently reviewed together with Board officers for determination and proper resolution of the conflict. Should an issue arise in which a board member has a direct conflict resulting in potential personal benefit, at minimum, that trustee would be required to recuse themselves from any and all Board activities related to the conflict.

In fiscal year 2025, the University entered into a license agreement with Satya Diagnostics Inc. (the Company). The founder of the Company is a faculty member of the University. The University owns the patent rights that are being licensed in the agreement. The University received a minority interest in the Company and is entitled to a revenue share agreement in return for the Company's use of the patents. As of May 31, 2026 and 2025, the Company did not generate any licensing revenue.

The following list of related party transactions consisting of contributions is provided solely to comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S. Department of Education:

	2026	2025
Board of Trustees & Senior Management	**$ 108,965**	$ 56,966
Employees	**35,061**	45,163
Total related party contributions	**$ 144,026**	$ 102,129

SUPPLEMENTARY INFORMATION

UNIVERSITY OF NEW ENGLAND

FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

AS OF AND FOR THE YEAR ENDED MAY 31, 2026

Location in Financial Statements or Related Notes	Financial Element	GAAP Financial Statement Line Item or Disclosure	Amount Used as Ratio Input
Primary Reserve Ratio: Expendable Net Assets			
Statement of Financial Position	Net assets without donor restrictions	$ 686,302,961	$ 686,302,961
Statement of Financial Position	Net assets with donor restrictions	$ 72,846,437	$ 72,846,437
N/A	Secured and unsecured related party receivable	$ -	$ -
Statement of Financial Position	Total property, plant and equipment	$ 300,752,215	
Notes to the FRSS	Property, plant, and equipment (PP&E) pre-implementation		$ 156,153,923
Notes to the FRSS	PP&E post-implementation with outstanding debt for original purchase including contruction in progress		60,530,008
Notes to the FRSS	PP&E post-implementation without outstanding debt for original purchase incuding construction in progress		84,068,284
Statement of Financial Position	PP&E, net (includes CIP) - Total		$ 300,752,215
N/A	Lease right-of-use asset, pre-implementation		$ -
Statement of Financial Position	Lease right-of-use asset, post-implementation		8,079,629
Statement of Financial Position	Lease right-of-use asset, net - Total	$ 8,079,629	$ 8,079,629
N/A	Intangible assets	$ -	$ -
Included in accounts payable and accrued expenses	Post-employment and pension liabilities		$ 1,476,512
Statement of Financial Position	Total long-term debt	$ 198,236,386	
Financial Statement Note 7, Assets Whose Use Is Limited	Deposits with Bond Trustees for Construction	$ 56,053,757	
Notes to the FRSS	Long-term debt - for long-term purposes pre-implementation - principal outstanding		$ 68,115,000
Notes to the FRSS	Long-term debt - for long-term purposes pre-implementation - unamortized premium on bonds		4,413,894
Notes to the FRSS	Long-term debt - for long-term purposes post-implementation - principal outstanding		122,100,000
Notes to the FRSS	Long-term debt - for long-term purposes post-implementation - unamortized premium on bonds		6,875,817
Notes to the FRSS	Long-term debt not for the purchase of PP&E, net of unamortized premiums		-
Notes to the FRSS	Long-term debt costs of issuance		(3,268,325)
	Total long-term debt		$ 198,236,386
N/A	Pre-implementation right-of-use asset liability		$ -
Statement of Financial Position	Post-implementation right-of-use asset liability		9,731,639
Statement of Financial Position	Lease right-of-use asset liability		$ 9,731,639
	Annuities with donor restrictions		-
Included in net assets with donor restricitons in the Financial Statements	Term endowments with donor restrictions	$ -	$ -
Included in net assets with donor restricitons in the Financial Statements	Life income funds with donor restrictions	73,488	73,488
	Annuities, term endowments and life income with donor restrictions - Total	$ 73,488	$ 73,488
Financial Statement Note 13, Net Assets with Donor Restrictions	Net assets with donor restrictions: restricted in perpetuity	$ 41,979,234	$ 41,979,234

UNIVERSITY OF NEW ENGLAND

FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

AS OF AND FOR THE YEAR ENDED MAY 31, 2026

Primary Reserve Ratio: Expenses and Losses			
Statement of Activities	Total expenses without donor restrictions	$ 237,898,834	$ 237,898,834
Notes to the FRSS	Total non-operating and investment losses without donor restriction	$ -	$ -
N/A	Pension-related changes other than net periodic costs with donor restrictions	$ -	$ -
Equity Ratio: Modified Net Assets			
Statement of Financial Position	Net assets without donor restrictions	$ 686,302,961	$ 686,302,961
Statement of Financial Position	Net assets with donor restrictions	$ 72,846,437	$ 72,846,437
N/A	Intangible assets	$ -	$ -
N/A	Secured and unsecured related party receivables	$ -	$ -
Equity Ratio: Modified Assets			
Statement of Financial Position	Total assets	$ 1,022,027,000	$ 1,022,027,000
N/A	Lease right-of-use asset pre-implementation	$ -	$ -
N/A	Pre-implementation right-of-use asset liability	$ -	$ -
N/A	Intangible assets	$ -	$ -
N/A	Unsecured related party receivables	$ -	$ -
Net Income Ratio			
Statement of Activities	Change in net assets without donor restrictions	$ 103,089,433	$ 103,089,433
Notes to the FRSS	Total revenues and gains without donor restrictions	$ 337,632,455	$ 337,632,455

UNIVERSITY OF NEW ENGLAND
NOTES TO THE FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE
AS OF AND FOR THE YEAR ENDED MAY 31, 2026

Property, Plant and Equipment, Net

Pre-implementation property, plant, and equipment, net		
Ending balance of last financial statement submitted to the Department of Education (May 31, 2025		
a. financial statements)	$	165,370,719
b. Less subsequent depreciation and disposals		(9,216,796)
c. Balance Pre-implementation property, plant, and equipment, net		156,153,923
PP&E post-implementation with outstanding debt for original purchase including construction in progress		60,530,008
Post-implementation property, plant, and equipment, net acquired without debt		84,068,284
Total property, plant, and equipment, net - May 31, 2026	$	300,752,215

Debt to be excluded from expendable net assets

Ending balance of last financial statement submitted to the Department of Education (May 31, 2025		
a. financial statements)	$	143,235,713
b. Less subsequent debt repayments		(5,315,000)
Less subsequent amortization of premiums		(795,659)
c. Less subsequent amortization of deferred issuance costs		244,422
d. Balance Pre-implentation debt	$	137,369,476
Pre-implementation debt:		
Series 2017A principal outstanding in Note 9 to the financial statements	$	39,630,000
Series 2017B principal outstanding in Note 9 to the financial statements		28,485,000
Pre-implementation debt - Principal outstanding		68,115,000
Unamortized premium on Pre-implementation debt		4,413,894
Unamortized issuance costs on Pre-implementation debt		(2,191,155)
Pre-implementation debt - Net		70,337,739
Post-implementation debt:		
Series 2021A principal outstanding in Note 9 to the financial statements		41,105,000
Series 2021B principal outstanding in Note 9 to the financial statements		20,995,000
Series 2025 principal outstanding in Note 9 to the financial statements		60,000,000
Post-implementation debt - Principal outstanding		122,100,000
Unamortized premium on Post-implementation debt		6,875,817
Unamortized issuance costs on Post-implementation debt		(1,077,170)
Post-implementation debt - Net		127,898,647
Long-term debt - Net, per Note 9 to the financial statements	$	198,236,386

Non-operating and investment losses without donor restriction

Spending policy investment income availed	$	-
Investment loss		-
	$	-

Total revenue and gains without donor restrictions

Total operating revenues, support, and releases	$	265,590,068
Investment income in non-operating income		72,037,758
Other income		4,629
	$	337,632,455

SECTION II - SCHEDULES AND REPORTS ON INTERNAL CONTROL AND COMPLIANCE

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
University of New England

We have audited, in accordance with U.S. generally accepted auditing standards 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 University of New England (the University), which comprise the statement of financial position as of May 31, 2026, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Board of Trustees
University of New England

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDMP Assurance, LLP

Manchester, New Hampshire
September 18, 2026

BerryDunn
BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
University of New England

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the University of New England's (the University's) compliance with the types of compliance requirements described in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended May 31, 2026. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2026.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's major federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the University as of and for the year ended May 31, 2026, and have issued our report thereon dated September 18, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

BDMP Assurance, LLP

Manchester, New Hampshire
September 18, 2026

UNVERSITY OF NEW ENGLAND

Schedule of Expenditures of Federal Awards

Year Ended May 31, 2026

Federal grantor/pass-through grantor/program title	Federal AL Number	Pass-through Number	Pass-through to Subrecipients	Federal Expenditures
Research and Development Cluster				
National Aeronautics & Space Administration				
Direct Programs:				
Office of Stem Engagement (OSTEM)	43.008	N/A	$ -	$ 422
Office of Stem Engagement (OSTEM)	43.008	N/A	-	14,434
Office of Stem Engagement (OSTEM)	43.008	N/A	-	19,259
Office of Stem Engagement (OSTEM)	43.008	N/A	-	2,515
Office of Stem Engagement (OSTEM)	43.008	N/A	-	20,716
Office of Stem Engagement (OSTEM)	43.008	N/A	-	3,694
Office of Stem Engagement (OSTEM)	43.008	N/A	-	2,434
Office of Stem Engagement (OSTEM)	43.008	N/A	-	4,999
Office of Stem Engagement (OSTEM)	43.008	N/A	-	1,584
Office of Stem Engagement (OSTEM)	43.008	N/A	-	8,250
Total National Aeronautics & Space Administration:			-	78,307
National Science Foundation				
Direct Programs:				
Engineering	47.041	N/A	-	145,896
Polar Programs	47.078	N/A	-	33,158
Polar Programs	47.078	N/A	-	26,359
Office of International Science and Engineering	47.079	N/A	-	1,321
Integrative Activities	47.083	N/A	-	19,942
Integrative Activities	47.083	N/A	-	111,538
Passed through: National Science Foundation				
Technology, Innovation, and Partnerships	47.084	2234590	55,230	117,304
Total National Science Foundation:			55,230	455,518
U.S. Department of Agriculture				
Passed through: National Institute of Food and Agriculture (NIFA)				
Agriculture and Food Research Initiative (AFRI)	10.310	2024-68015-42297	44,743	327,124
Total U.S. Department of Agriculture:			44,743	327,124
U.S. Department of Commerce				
Direct Programs:				
Sea Grant Support	11.417	N/A	-	98,506
Total U.S. Department of Commerce:			-	98,506
U.S. Department of Defense				
Direct Programs:				
Military Medical Research and Development	12.420	N/A	-	32,419
Total U.S. Department of Defense:			-	32,419
U.S. Department of Health and Human Services				
Passed through: National Institutes of Health (NIH)				
Environmental Health	93.113	R01ES024745	20,185	151,131
Environmental Health	93.113	R21ES035818/Burman	-	46,541
Environmental Health	93.113	RES036288B	-	29,613
Oral Diseases and Disorders Research	93.121	158333.5126253.0306	-	22,493
Drug Use and Addiction Research Programs	93.279	628322	-	68,334
Drug Use and Addiction Research Programs	93.279	ASUB00001824	-	147,078
Nursing Research	93.361	PH001010A	-	128,110

The accompanying notes are an integral part of this schedule of expenditures of federal awards.

UNVERSITY OF NEW ENGLAND

Schedule of Expenditures of Federal Awards

Year Ended May 31, 2026

Federal grantor/pass-through grantor/program title	Federal AL Number	Pass-through Number	Pass-through to Subrecipients	Federal Expenditures
Cancer Treatment Research	93.395	5R01CA267554	-	343,617
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	K01AR081959	-	108,410
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Motyl-R01-UNE-Houseknecht	-	29,580
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	AH000949	-	4,684
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1R01NS121533	7,252	295,662
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5R01NS131571	-	452,114
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	7R21NS125484	-	66,121
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	H011438301	-	6,398
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS132674	-	376,511
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R15NS131952	-	147,869
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R16NS140309	-	150,873
Biomedical Research and Research Training	93.859	P20GM103423-25/UNE	-	55,718
Biomedical Research and Research Training	93.859	P20GM152330	-	1,983,614
Biomedical Research and Research Training	93.859	P30GM145497	-	1,041,953
Biomedical Research and Research Training	93.859	R16GM150784	-	121,882
Biomedical Research and Research Training	93.859	R16GM153598	-	161,309
Biomedical Research and Research Training	93.859	R16GM153601	-	139,051
Vision Research	93.867	U01EY034709	482,031	909,717
Total U.S. Department of Health and Human Services:			509,468	6,988,383
U.S. Department of the Interior				
Direct Programs:				
Neotropical Migratory Bird Conservation	15.635	N/A	-	31,355
Total U.S. Department of the Interior:			-	31,355
Total Research and Development Cluster:			609,441	8,011,612
Student Financial Assistance Cluster				
U.S. Department of Education				
Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	454,331
Federal Work-Study Program	84.033	N/A	-	875,134
Federal Perkins Loan Program Federal Capital Contributions	84.038	N/A	-	1,387,263
Federal Pell Grant Program	84.063	N/A	-	2,778,016
Federal Direct Student Loans	84.268	N/A	-	152,461,572
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	N/A	-	29,390
Total U.S. Department of Education			-	157,985,706
U.S. Department of Health and Human Services				
Direct Programs:				
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students	93.342	N/A	-	353,775
Total U.S. Department of Health and Human Services			-	353,775
Total Student Financial Assistance Cluster:			-	158,339,481

The accompanying notes are an integral part of this schedule of expenditures of federal awards.

UNVERSITY OF NEW ENGLAND

Schedule of Expenditures of Federal Awards

Year Ended May 31, 2026

Federal grantor/pass-through grantor/program title	Federal AL Number	Pass-through Number	Pass-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
SNAP Cluster				
Passed through: Maine DHHS				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	OFI-25-351C	1,494,389	2,646,660
Total SNAP Cluster:			1,494,389	2,646,660
Total U.S. Department of Agriculture:			1,494,389	2,646,660
U.S. Department of Commerce				
Direct Programs:				
Congressionally-Identified Projects	11.617	N/A	-	170,243
Total U.S. Department of Commerce:			-	170,243
U.S. Department of Health and Human Services				
Passed through: Health Resources and Services Administration (HRSA)				
Area Health Education Centers	93.107	U77HP03021	329,760	447,792
Special Projects of Regional and National Significance	93.110	T73MC30118	7,578	396,112
Nurse Anesthetist Traineeships	93.124	A22HP30944	-	14,349
Telehealth Programs	93.211	N/A	-	12,071
Advanced Nursing Education Workforce Grant Program	93.247	T96HP32509	-	539,407
Passed through: Centers for Disease Control (CDC)				
Drug-Free Communities Support Program Grants	93.276	NH28CE002994	-	20,893
Passed through: Health Resources and Services Administration (HRSA)				
Public Health Training Centers Program	93.516	4500005632	-	17,934
Passed through: Substance Abuse and Mental Health Services Administration (SAMHSA)				
Certified Community Behavioral Health Clinic Expansion Grants	93.696	1A09302023	-	81,796
Certified Community Behavioral Health Clinic Expansion Grants	93.696	IA09302022	-	95,498
Total AL Number 93.696:			-	177,294
Passed through: Health Resources and Services Administration (HRSA)				
Primary Care Training and Enhancement	93.884	T9DHP45635	-	359,252
Rural Healthcare Services Programs	93.912	23040	-	50,569
Rural Healthcare Services Programs	93.912	G6255155	-	153,190
Total AL Number 93.912:			-	203,759
PPHF Geriatric Education Centers	93.969	U1QHP53060	282,824	992,088
Total U.S. Department of Health and Human Services:			620,162	3,180,951

The accompanying notes are an integral part of this schedule of expenditures of federal awards.

UNVERSITY OF NEW ENGLAND

Schedule of Expenditures of Federal Awards

Year Ended May 31, 2026

Federal grantor/pass-through grantor/program title	Federal AL Number	Pass-through Number	Pass-through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct Programs:				
Lead Hazard Reduction Grant Program	14.900	N/A	-	38,965
Total U.S. Department of Housing and Urban Development:			-	38,965
U.S. Department of Justice				
Direct Programs:				
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	N/A	8,426	188,741
Total U.S. Department of Justice:			8,426	188,741
U.S. Department of Treasury				
Passed through: U.S. Department of Education				
Coronavirus State and Local Fiscal Recovery Funds	21.027	05A 20240112000000001953	-	1,101,251
Coronavirus State and Local Fiscal Recovery Funds	21.027	2022100400000000-1016	-	50,545
Total AL Number 21.027:			-	1,151,796
Total U.S. Department of Treasury:			-	1,151,796
Total Expenditures of Federal Awards:			$ 2,732,418	$ 173,728,449

The accompanying notes are an integral part of this schedule of expenditures of federal awards.

UNIVERSITY OF NEW ENGLAND

Schedule of Findings and Questioned Costs Related to Federal Awards

Year Ended May 31, 2026

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the University of New England (the University) for the year ended May 31, 2026. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the University.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

The University has elected not to use the 10-percent de minimis indirect cost rate for awards issued before September 30, 2024 or 15% for awards issued after October 1, 2024 as allowed under the Uniform Guidance.

4. Loan Program Balances

The federal student loan programs listed subsequently are administered directly by the University, and balances and transactions relating to these programs are included in the University's financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at May 31, 2026 consists of:

AL Number	Program Name	Outstanding Balance
84.038	Federal Perkins Loans	$ 877,788
93.342	Health Professions Student Loans	$ 281,317

UNIVERSITY OF NEW ENGLAND

Schedule of Findings and Questioned Costs Related to Federal Awards

Year Ended May 31, 2026

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	__X__ None reported
Noncompliance material to the financial statements noted?	____ Yes	__X__ No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	__X__ None reported
Type of report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	____ Yes	__X__ No

Identification of major programs:

AL Number(s)	*Name of Federal Program or Cluster*
21.027	Coronavirus State and Local Fiscal Recovery Funds
Various	Research and Development Cluster
Various	U.S. Department of Education – Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs	$1,000,000	
Auditee qualified as low-risk auditee?	__X__ Yes	____ No

UNIVERSITY OF NEW ENGLAND

Schedule of Findings and Questioned Costs Related to Federal Awards (Concluded)

Year Ended May 31, 2026

Section II. Findings Relating to the Financial Statements that are Required to be Reported in Accordance with *Government Auditing Standards*

None noted.

Section III. Federal Award Findings and Questioned Costs

None noted.

UNIVERSITY OF NEW ENGLAND

Summary Schedule of Prior Year Audit Findings

Year Ended May 31, 2026

Section I. **Prior Year Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards**

None noted.

Section II. **Prior Year Audit Findings for Major Federal Programs**

None noted.