



St. Mary's University

Audited Financial Statements

For the fiscal year ended May 31, 2021



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Report of Independent Auditors

Management and The Board of Trustees
St. Mary's University

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of St. Mary's University, which comprise the consolidated statements of financial position as of May 31, 2021 and 2020, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

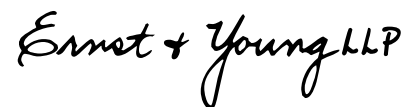
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of St. Mary's University at May 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated October 8, 2021 on our consideration of St. Mary's 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 St Mary's 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 St. Mary's University's internal control over financial reporting and compliance.



October 8, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

May 31, 2021 and 2020 (in thousands)

	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 38,761	\$ 33,618
Receivables		
Student accounts, net	2,124	3,049
Other accounts, net	5,171	3,272
Contributions, net	3,318	4,971
Student loans, net	2,375	3,044
Prepaid expenses	459	249
Investments	226,711	174,845
Funds held in trust by others	5,747	4,822
Land, buildings and equipment, net	108,532	113,003
Other assets	306	574
Total Assets	\$ 393,504	\$ 341,447
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,958	\$ 1,996
Accrued salaries and benefits	3,085	3,210
Student deposits	326	291
Other deposits	934	1,026
Deferred revenue	1,885	3,081
Indebtedness	30,580	32,250
U.S. Government advances for student loans	3,540	4,138
Total Liabilities	42,308	45,992
NET ASSETS:		
Without donor restrictions	153,102	134,939
With donor restrictions	198,094	160,516
Total Net Assets	351,196	295,455
Total Liabilities and Net Assets	\$ 393,504	\$ 341,447

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended May 31, 2021 (in thousands)

	Without donor restrictions	With donor restrictions	Total
OPERATING ACTIVITIES:			
OPERATING REVENUES:			
Net tuition and fees (net of scholarship and student aid of \$48,851)	\$ 59,303	\$ –	\$ 59,303
Contributions	659	4,867	5,526
Government grants and contracts	15,879	–	15,879
Investment return designated for current operations	4,024	6,805	10,829
Other income	1,639	–	1,639
Auxiliary enterprises	6,529	–	6,529
Net assets released from restrictions	8,528	(8,528)	–
Total operating revenues	96,561	3,144	99,705
EXPENSES:			
Education and general expenses:			
Academic programs:			
Instruction	35,318	–	35,318
Academic support	10,271	–	10,271
Research	774	–	774
Public service	1,658	–	1,658
Total academic programs	48,021	–	48,021
Management and general:			
Student services	16,540	–	16,540
Institutional support	16,089	–	16,089
Total management and general	32,629	–	32,629
Total education and general expenses	80,650	–	80,650
Auxiliary enterprises	8,537	–	8,537
Total expenses	89,187	–	89,187
Change in net assets from operating activities	7,374	3,144	10,518
NONOPERATING ACTIVITIES:			
Investment income, net of expenses of \$989	1,298	1,604	2,902
Net assets released from restrictions	322	(322)	–
Net capital gain on investments	13,193	39,957	53,150
Investment return designated for current operations	(4,024)	(6,805)	(10,829)
Change in net assets	18,163	37,578	55,741
Net assets at beginning of year	134,939	160,516	295,455
Net assets at end of year	\$ 153,102	\$ 198,094	\$ 351,196

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended May 31, 2020 (in thousands)

	Without donor restrictions	With donor restrictions	Total
OPERATING ACTIVITIES:			
OPERATING REVENUES:			
Net tuition and fees (net of scholarships and student aid of \$45,905)	\$ 60,023	\$ –	\$ 60,023
Contributions	1,138	5,707	6,845
Government grants and contracts	11,918	–	11,918
Investment return designated for current operations	4,295	6,519	10,814
Other income	3,265	207	3,472
Auxiliary enterprises	10,640	–	10,640
Net assets released from restrictions	10,143	(10,143)	–
Total operating revenues	101,422	2,290	103,712
EXPENSES:			
Education and general expenses:			
Academic programs:			
Instruction	38,689	–	38,689
Academic support	10,751	–	10,751
Research	903	–	903
Public service	2,279	–	2,279
Total academic programs	52,622	–	52,622
Management and general:			
Student services	17,504	–	17,504
Institutional support	19,974	–	19,974
Total management and general	37,478	–	37,478
Total education and general expenses	90,100	–	90,100
Auxiliary enterprises	11,172	–	11,172
Total expenses	101,272	–	101,272
Change in net assets from operating activities	150	2,290	2,440
NONOPERATING ACTIVITIES:			
Investment income, net of expenses of \$929	1,677	1,442	3,119
Net assets released from restrictions	34	(34)	–
Net capital gain on investments	3,811	5,117	8,928
Investment return designated for current operations	(4,295)	(6,519)	(10,814)
Change in net assets	1,377	2,296	3,673
Net assets at beginning of year	133,562	158,220	291,782
Net assets at end of year	\$ 134,939	\$ 160,516	\$ 295,455

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended May 31, 2021 and 2020 (in thousands)

	2021	2020
OPERATING ACTIVITIES:		
Change in net assets	\$ 55,741	\$ 3,673
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense and amounts written off	388	1,482
Loan assignments and cancellations	63	32
Amortization of bond discount and issuance costs	83	24
Net realized and unrealized gain on investments	(53,150)	(6,827)
Net gain on New Market Tax Credit extinguishment	–	(1,822)
Loss on disposal of land, buildings and equipment	11	1
Depreciation	6,762	6,873
Contributions and income restricted for long-term investment	(4,433)	(4,986)
Changes in operating assets and liabilities:		
Student and other accounts receivable	(1,649)	(1,689)
Contributions receivable	1,653	1,940
Prepaid expenses and other assets	95	98
Accounts payable and accrued liabilities, salaries and benefits	(132)	(122)
Deposits and deferred revenue	(1,199)	127
Agency transactions – cash received	45,493	49,443
Agency transactions – cash disbursed	(45,548)	(49,407)
Net cash provided by (used in) operating activities	4,178	(1,160)
INVESTING ACTIVITIES:		
Collection of student loans	894	898
Extinguishment of New Market Tax Credit Receivable	–	9,091
Proceeds from sales of investments	55,386	82,453
Purchases of investments	(55,028)	(72,018)
Additions to buildings and equipment	(2,302)	(2,454)
Net cash (used in) provided by investing activities	(1,050)	17,970
FINANCING ACTIVITIES:		
Proceeds from contributions and income restricted for long-term investment	4,433	4,986
Proceeds from refunded bonds	6,140	–
Extinguishment of New Market Tax Credit Payable	–	(9,211)
Payments on indebtedness	(7,960)	(1,710)
Net decrease of U.S. Government advances for student loans	(598)	(1,364)
Net cash provided by (used in) financing activities	2,015	(7,299)
Net increase in cash and cash equivalents	5,143	9,511
Cash and cash equivalents at beginning of year	33,618	24,107
Cash and cash equivalents at end of year	\$ 38,761	\$ 33,618
SUPPLEMENTAL CASH FLOW INFORMATION:		
Non-cash settlement of New Market Tax Credit Payable	\$ –	\$ 2,549
Cash paid for interest	\$ 507	\$ 1,006

See accompanying notes.

Notes to Consolidated Financial Statements *(in thousands)*

1. Summary of Significant Accounting Policies

General

St. Mary's University (the University) is an independent, not-for-profit Marianist Catholic institution in San Antonio, Texas, founded in 1852 by the Society of Mary. The University is organized into four schools and offers classes that lead to Bachelors, Masters, Ph.D. and Juris Doctor degrees. Revenues are derived primarily from tuition, fees and auxiliary services.

Thru November 2019, the University controlled St. Mary's Holdings Inc. (SMHI), which is consolidated in the accompanying financial statements. SMHI was formed in June 2012 to improve, construct and own property leased to the University for educational, athletic and administrative functions. SMHI was funded using the federal New Market Tax Credit (NMTC) program. The NMTC was extinguished in June 2019, resulting in collection of notes receivable and settlement of outstanding indebtedness. A gain of \$1,822 was recognized on the NMTC extinguishment and is included in the net capital gain on investments of \$3,811. St. Mary's Holdings Inc. was dissolved in November 2019.

Basis of Presentation

The accompanying consolidated financial statements of the University have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The University maintains its accounts in accordance with the principles of fund accounting. Resources for various purposes are classified into funds that are in accordance with activities or objectives specified by donors. Separate accounts are maintained for each fund. For reporting purposes, however, the University classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

Without Donor Restrictions Net Assets

Use is not subject to donor-imposed stipulations; may be designated for specific purposes by action of the Board of Trustees.

With Donor Restrictions Net Assets

Use is subject to donor-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time or can be fulfilled or otherwise removed by the University.

The University follows the policy of reporting restricted contributions and restricted endowment income on the consolidated statements of activities as increases in net assets with donor restrictions in the period received. Cash donations to acquire long-lived assets are recorded as donor-restricted until the asset is acquired and expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations are reclassified to the without donor restrictions category and reported as net assets released from restrictions. Contributions with donor restrictions that are received and expended in the same period are reported as revenues in net assets with donor restrictions and included in net assets released from restrictions.

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.

Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and generally have original maturities of three months or less.

1. Summary of Significant Accounting Policies (continued)

Allowances for Doubtful Accounts

Allowances for doubtful student accounts receivable and student loans (\$1,420 and \$1,489, respectively, at May 31, 2021, and \$1,450 and \$1,777, respectively, at May 31, 2020) are determined annually based upon historical experience, aging of receivables, loans in default and an analysis of collections.

Contributions

Contributions, including unconditional promises made to the University, are recognized as revenues in the period received. Conditional promises are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Unconditional promises that are expected to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's estimate, including such factors as prior collection history, type of contribution, current economic conditions and nature of fundraising activity.

Contributed services are reflected in the consolidated financial statements at the fair value of the services received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically be purchased if not provided by donation. The fair value of contributed services was approximately \$770 and \$809 for the years ended May 31, 2021 and 2020, respectively.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in securities traded on a national exchange are valued at the last reported bid price. Over-the-counter securities and government obligations are valued at the bid price or the average bid and asked price on the last business day of the year from published sources where available and, if not available, from other sources considered reliable. The University's marketable securities do not represent significant concentrations of market risk as the portfolio is diversified across strategies, managers and geography. The fair value of real estate investments is based on the most current quarterly financial information for the real estate trusts. The fair value of mineral rights is estimated based on the income stream those assets generate. Investments received by gift or bequest are carried at fair value at the date of the gift. If fair value is not determinable at the date of the gift, the asset received by gift or bequest is recorded at a nominal value.

The University's investments in certain institutional commingled funds or alternative investments are not publicly traded. These funds comprise 25% and 27% of total investment securities at May 31, 2021 and 2020, respectively. These investments contain underlying funds, which may include marketable securities, limited partnerships, limited liability companies, or non-U.S. corporations and are valued at redemption values that represent the net asset value of the units held at year-end. These investments entail liquidity risks to the extent that they may be difficult to sell or may not be converted to cash quickly at favorable prices. All of the funds are diversified across strategies, managers and geography.

Purchases and sales of securities are recorded as of the trade date. Realized gains and losses on sales of securities are determined on the basis of average cost. Interest income is recognized on the accrual basis, and dividend income is recognized on the ex-dividend date. Investment securities are exposed to various risks, such as interest rate, liquidity, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported on the consolidated statements of financial position.

1. Summary of Significant Accounting Policies (continued)

In accordance with the Texas Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA), dividends, interest, gains, losses and other investment income are reported on the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. In the absence of donor stipulations or law to the contrary, gains and losses on the investments of a donor-restricted endowment fund increase and reduce net assets with donor restrictions. If losses reduce the fair value of a donor-restricted endowment fund below the level required by the donor stipulations of law, these losses are reported as reductions in the net assets without donor restrictions as of year-end. Any gains that restore the fair value of the donor-restricted endowment fund are reported as increases in net assets without donor restrictions in the subsequent year when gains were incurred.

Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below.

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access. The types of investments included as Level 1 include listed equities, U.S. Government and agency obligations, and frequently traded corporate bonds.
- Level 2** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted market prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 types of investments include funds held in trust by others (see Note 4), real estate trusts, mineral rights, venture capital funds and privately held hedge funds.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described herein may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The methodologies used to determine fair value have been consistent for the years ended May 31, 2021 and 2020.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or, if donated, at fair value at the date of gift. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Net interest incurred during the construction phase of major plant additions is capitalized.

Collections of Art

The University's works of art, historical treasures and artifacts are protected and preserved for education, research and public service. They are neither disposed of for financial gain nor encumbered in any manner. Accordingly, such collections are not recorded for financial statement purposes.

1. Summary of Significant Accounting Policies (continued)

Tax Status

The University is exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code (the Code). This exemption does not apply to unrelated business income, as defined by Section 512(a)(1) of the Code, which is subject to federal income tax. The University had no material tax liability resulting from such unrelated business income in 2021 or 2020. U.S. GAAP requires management to evaluate uncertain tax positions taken by the University. The consolidated financial statement effects of a tax position are recognized when the position is more likely than not based on the technical merits, to be sustained upon examination by the Internal Revenue Service or U.S. Department of Treasury.

Management has analyzed the tax positions taken by the University, and has concluded that as of May 31, 2021, there are no uncertain positions taken or expected to be taken. The University has recognized no interest or penalties related to uncertain tax positions. The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The University adopted this standard using the full retrospective approach as of the beginning of fiscal year 2021, and there was no material impact to the consolidated financial statements. As a result of the adoption, certain prior year amounts were reclassified to conform to the current presentation.

Student charges for tuition and fees, room and board, and dining are deemed to result in separate performance obligations and have been treated as separate contracts in the University's consolidated financial statements. Tuition and fees are reflected net of reductions from scholarships and student aid and are recognized on an accrual basis in the period the educational services are provided to the students. Auxiliary income (room and board and dining services) is recognized when goods or services are provided. Tuition and fees collected that are applicable to future academic terms are recorded as deferred revenue, fees and deposits.

Scholarships and Student Aid

Scholarships and student aid represent the difference between the stated charge for goods and services provided by the University and the amount billed to students and/or third parties making payments on behalf of students for tuition and fees. Scholarships for room, board and books are included in auxiliary expense. Amounts are funded by endowment earnings, contributions, federal and state grants, and unrestricted revenues of the University. Unrestricted revenues of the University funded scholarships and student aid of approximately \$37,641 and \$36,328 for the years ended May 31, 2021 and 2020, respectively.

Functional Allocations of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, using a methodology consistent with prior years.

Fundraising

Fundraising is expensed as incurred and included in Institutional support. Expenses were \$2,418 and \$3,134 for the fiscal years ended May 31, 2021 and 2020, respectively.

Federal Student Financial Aid Programs

Prior to the cancellation of the Federal Perkins Student Loan program effective September 30, 2018, funds provided by the U.S. Government under the Federal Perkins Student Loan program were loaned to qualified students and re-loaned as collections were made. These funds are ultimately refundable to the U.S. Government and are, therefore, recorded as a long-term liability. Such funds required the University to provide a matching amount which varied according to regulations during operation of the program.

1. Summary of Significant Accounting Policies (continued)

Agency Transactions

Activities of Federal Direct Lending, Pell Grants (Pell), the Veterans Affairs (VA) Yellow Ribbon Program and the Texas Be-On-Time Loan Program are considered to be agency transactions. These transactions are not reflected on the consolidated statements of activities, but are reflected on the accompanying consolidated statements of cash flows.

The University also maintains accounts for local not-for-profit organizations, student organizations, fundraising events and the Society of Mary (see Note 12). These transactions are excluded from the consolidated statements of activities as they are not University activities but are reflected on the accompanying consolidated statements of cash flows.

Retirement Plans

The University has a defined contribution retirement plan administered by providers of retirement services, which covers substantially all of its employees upon completing one year of service and working at least 1,000 hours. Prior to June 29, 2020, contributions were made at 7% of participants' base salaries for those who contributed 5% of their base salaries. Employees who did not contribute 5% of their salaries were not eligible for the 7% contribution. Effective June 29, 2020, the University suspended matching contributions to the Plan. The University's contributions for the years ended May 31, 2021 and 2020, approximated \$10 and \$2,440, respectively. The University has a deferred compensation plan administered by providers of retirement services for certain members of the University's management. Contributions are made by the employees, and no amounts are contributed by the University.

COVID-19

In March 2020, the World Health Organization designated COVID-19 as a global pandemic. Various policies were implemented by federal, state and local governments in response to the pandemic including stay at home orders, business closures and social distancing. During the COVID-19 pandemic, the University remained open for business and immediately implemented steps to promote safety for students, faculty and support staff. The University closed residence halls, transitioned classroom education to online and distance learning, and implemented work from home capabilities for a large majority of faculty and support staff. Certain essential positions and departments continued to physically support the campus on a daily basis with appropriate social distancing.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on March 27, 2020, to provide support to individuals and organizations in the form of loans, grants, tax relief, and direct assistance due to the pandemic. The University received a Higher Education Emergency Relief Fund (HEERF) award, which was established by the CARES Act, totaling \$3,181 as of May 31, 2020. The HEERF award was to fund emergency financial aid grants to students and to defray additional costs incurred from the pandemic. The HEERF award was subsequently increased and totaled \$16,137, of which at least \$7,318 will be distributed to students through May 2022. The University recognized \$5,939 and \$1,924 as of May 31, 2021 and 2020, respectively in HEERF grant revenue. The remaining \$8,274 of the HEERF grant awards is to be utilized by May 19, 2022.

The University offered a combination of in-person and distance learning for the 2020-21 academic year, following guidance from federal, state and local governments. The pandemic has resulted in economic uncertainty, volatility in financial markets, and has had a financial impact on the University as a result of additional expenses incurred and lost revenue. The University implemented cost saving measures and with the additional federal grant revenue, the University had positive financial results for the fiscal year. The University was in compliance with all debt covenants as of May 31, 2021 and 2020. The duration, ultimate impact of COVID-19 and the scope of any impact on the University's operations and financial condition are uncertain and cannot be fully determined at this time.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

Subsequent events were evaluated through October 8, 2021, which is also the date the accompanying consolidated financial statements were available to be issued.

New Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842): Amendments to the FASB Accounting Standards Codification*, which requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term and a lease liability for the payments to be made to lessor on its statement of position for all operating leases greater than 12 months. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* which defers the effective date of ASU 2016-02, making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. ASU 2016-02 requires adoption of its amendments on a modified retrospective basis. The University is evaluating the impact that the adoption of ASU 2016-02 will have on its consolidated financial position, operating activities and cash flows.

In March 2019, the FASB issued ASU 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*, which modifies the definition of the term *collections* and requires that a collection-holding entity disclose its policy for the use of proceeds when collection items are deaccessioned (that is, removed from a collection). If a collection-holding entity has a policy that allows proceeds from deaccessioned collection items to be used for *direct care*, it should disclose its definition of the term *direct care*. ASU 2019-03 was effective for entities for fiscal years beginning after December 15, 2019. The University adopted this standard as of the beginning of fiscal year 2021, and there was no material impact to its consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires nonprofits to change the financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind, including tangible property provided to the organization; items donated to the organization to be auctioned through charitable events; and items used in program activities, as well as intangible items like copyrights, patents, and royalties; specialized volunteer services. Gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on the statement of activities. ASU 2020-07 is effective for entities for fiscal years beginning after June 15, 2021. Early application is permitted. Management is currently evaluating the potential impact of these changes on the University's consolidated financial statements.

2. Liquidity and Availability

The University's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	Year Ended May 31, 2021	Year Ended May 31, 2020
Total assets at year-end	\$ 393,504	\$ 341,447
Less		
Pledges receivable due in more than one year	(2,223)	(3,131)
Donor-restricted endowment funds	(183,103)	(144,685)
Board-designated endowment funds	(68,315)	(55,460)
Land, buildings and equipment, net	(108,532)	(113,003)
Other assets	(306)	(574)
Financial assets available at year-end for current use	\$ 31,025	\$ 24,594

As part of the University's liquidity management, financial assets are structured to be available as general expenditures, liabilities and other obligations come due. Additionally, the University has a board-designated endowment of \$68,315 as of May 31, 2021. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. Both the board-designated endowment funds and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 9 for disclosures about investments).

3. Contributions Receivable

Contributions receivable consist of unconditional promises to give, which the University received and are outstanding at May 31, 2021 and 2020. Receivables with maturities of more than one year are reflected at present value of estimated future cash flows using a discount rate appropriate to the term of the receivable. The fair value of the gross contributions at May 31, 2021 and 2020, approximates the carrying value. Most of the contributions are donor-restricted primarily for future building acquisitions or scholarships.

Maturities of contributions receivable at May 31 are as follows:

	2021	2020
Less than one year	\$ 1,296	\$ 2,537
One to four years	2,445	3,661
More than five years	279	764
Total contributions	4,020	6,962
Less allowance for uncollectible pledges	(385)	(1,545)
Discount	(317)	(446)
Net contributions receivable	\$ 3,318	\$ 4,971

4. Investments and Funds Held in Trust by Others

Investments and funds held in trust have the following positions based on the ASC 820 fair value hierarchy levels described in Note 1.

	Assets at Fair Value as of May 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. corporate bonds and notes	19,786	–	–	19,786
U.S. equities	82,349	–	–	82,349
International equities	39,839	–	–	39,839
Emerging markets mutual funds	10,509	–	–	10,509
U.S. intermediate government/credit bond funds	–	9,969	–	9,969
International intermediate bond funds	–	2,348	–	2,348
U.S. mineral rights	–	–	1,271	1,271
Subtotal	\$ 152,483	\$ 12,317	\$ 1,271	\$ 166,071
Investments measured at net asset value:				
U.S. equities fund				\$ 11,530
U.S. real estate trust funds				8,445
Credit long-short hedge fund				8,067
Multi-strategy hedge funds				23,392
Multi-strategy private equities funds				9,147
International hedge fund				59
Total Investments				\$ 226,711
Funds held in trust by others	–	–	\$ 5,747	5,747
Total assets at fair value				\$ 232,458

	Assets at Fair Value as of May 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments				
U.S. corporate bonds and notes	13,484	–	–	13,484
U.S. equities	60,309	–	–	60,309
International equities	28,175	–	–	28,175
Emerging markets mutual funds	6,711	–	–	6,711
U.S. intermediate government/credit bond funds	–	11,271	–	11,271
International intermediate bond funds	–	1,826	–	1,826
U.S. mineral rights	–	–	2,884	2,884
Subtotal	\$ 108,679	\$ 13,097	\$ 2,884	\$ 124,660
Investments measured at net asset value:				
U.S. equities fund				\$ 8,173
U.S. real estate trust funds				8,810
Credit long-short hedge fund				6,470
Multi-strategy hedge funds				21,197
Multi-strategy private equities funds				5,385
International hedge fund				150
Total Investments				\$ 174,845
Funds held in trust by others	–	–	\$ 4,822	4,822
Total assets at fair value				\$ 179,667

4. Investments and Funds Held in Trust by Others (continued)

The following table includes additional disclosures for the fair value measurements of investments in certain entities that calculate fair value using net asset value per share.

	Assets at Fair Value as of May 31, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
U.S. equities funds ^(a)	\$ 11,530	\$ –	Monthly	6-15 days
U.S. real estate trusts ^(b)	8,445	–	Subject to approval	45 days before the quarter ends
Credit long-short hedge fund ^(c)	8,067	–	Quarterly	45 days before the quarter ends
Multi-strategy hedge funds ^(d)	23,392	–	Quarterly	60-65 days before the quarter ends
Multi-strategy private equities funds ^(e)	9,147	9,299	Subject to approval	
International hedge funds ^(f)	59	–	Subject to approval	Redemption request is pending
Total	\$ 60,640	\$ 9,299		

	Assets at Fair Value as of May 31, 2020			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
U.S. equities funds ^(a)	\$ 8,173	\$ –	Monthly	6-15 days
U.S. real estate trusts ^(b)	8,810	–	Subject to approval	45 days before the quarter ends
Credit long-short hedge fund ^(c)	6,470	–	Quarterly	45 days before the quarter ends
Multi-strategy hedge funds ^(d)	21,197	–	Quarterly	60-65 days before the quarter ends
Multi-strategy private equities funds ^(e)	5,385	3,383	Subject to approval	
International hedge funds ^(f)	150	–	Subject to approval	Redemption request is pending
Total	\$ 50,185	\$ 3,383		

- ^(a) U.S. equities funds include investments that are traded securities in the United States; however, the value of the fund itself can only be derived based on those holdings.
- ^(b) U.S. real estate trusts include investments in a trust and a limited partnership that invest in real estate. Management of the trust and partnership manage their respective investment portfolios.
- ^(c) Credit long-short hedge funds primarily include investments in U.S. high yield debt, consisting of securities rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively. The fund may take long/short positions in securities or obligations or any other claims at any position in the capital structure of a high yield issuer, including bank debt, bonds, preferred stock and equities.
- ^(d) Multi-strategy hedge funds consist of concentrated group of hedge funds across various strategies including long short/equity, event-driven, relative value and global asset allocation in the traditional LP structure. Management of the fund manage their respective investment portfolios.
- ^(e) Multi-strategy private equities include investments that pursue multiple strategies that invest approximately 26% buy-out, 26% venture, 33% special situations, 12% real estate and 3% international. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated.
- ^(f) International hedge funds include investments in international securities outside the United States. Management of the trust and partnership manages its respective investment portfolios. A redemption request to liquidate total holdings is pending on fund manager approval.

4. Investments and Funds Held in Trust by Others (continued)

The fair value measurement Level 3 reconciliation is as follows:

	U.S. mineral rights	Funds held by others	Total
Balance at May 31, 2019	\$ 3,025	\$ 4,892	\$ 7,917
Net loss realized and unrealized	(141)	(70)	(211)
Balance at May 31, 2020	\$ 2,884	\$ 4,822	\$ 7,706
Net loss realized and unrealized	(1,613)	925	(688)
Balance at May 31, 2021	\$ 1,271	\$ 5,747	\$ 7,018

At May 31, investments included the Myra Stafford Pryor Free Enterprises Trust, a perpetual trust fund held by the University for a “Chair in Free Enterprise” and scholarships. Income distributed in 2020 includes an income distribution of \$95 for 2019 expenses.

	2021	2020
Fair value	\$ 1,759	\$ 1,447
Income distributed	73	190

At May 31, funds held in trust by others consisted of the Emil C.E. Jurica Endowment Trust, an irrevocable trust formed for the sole benefit of the University. Assets are held and managed by the Emil C.E. Jurica Endowment Trust trustees, and income is to be used for the Bill Greehey School of Business. The fair value of the funds held in trust by others is based on the University’s portion of the fair value of the underlying investments held by the trust.

	2021	2020
Fair value	\$ 5,747	\$ 4,822
Income distributed	146	146

Total annuities, term endowments, and life income funds with donor restrictions total \$8,707 at May 31, 2021.

5. Land, Buildings and Equipment

Land, buildings and equipment consisted of the following as of May 31:

	Estimated Useful Lives	2021	2020
Land		\$ 601	\$ 601
Buildings	45 years	135,894	135,387
Building improvements, parking lots, and drives	20 years	42,932	42,750
Equipment	5 to 25 years	24,350	23,783
Library books	5 years	34,579	33,983
Construction-in-progress		137	25
Land, buildings and equipment		\$ 238,493	\$ 236,529
Less accumulated depreciation		(129,961)	(123,526)
Land, buildings and equipment, net		\$ 108,532	\$ 113,003

6. Indebtedness

Indebtedness at May 31 consisted of the following:

	Interest Rate	Final Maturity	2021 Principal Payments	Unpaid Principal	
				2021	2020
\$8,500 Restructured Revenue Bonds of 2007 For residence hall construction; issued through the City of Olmos Park, San Antonio, Texas, Higher Education Facilities Corporation; payable semiannually	1.878% to 2.35%	May 2030	\$ 340	\$ 3,770	\$ 4,110
\$10,000 Revenue Bonds of 2008 For residence hall construction; issued through the City of Olmos Park, San Antonio, Texas, Higher Education Facilities Corporation; payable semiannually	3.92%	May 2032	6,140	–	6,140
\$6,290 Refunded Revenue Bonds of 2020 For extinguishment of 2008 revenue bonds, for residence hall construction; issued through the City of Olmos Park, San Antonio, Texas, Higher Education Facilities Corporation; payable semiannually	1.878% to 2.55%	May 2032	480	5,810	–
\$25,000 Note Payable 2016 For residence hall construction; issued through the City of San Antonio, Texas, Higher Education Facilities Corporation. Interest payable monthly (.9261% as of May 31, 2021) and principal payable annually; 10-year extension option, subject to lender approval, on September 30, 2026	LIBOR	Sept 2026	1,000	21,000	22,000
Total			\$ 7,960	\$ 30,580	\$ 32,250

On May 29, 2020, the University restructured the 2007 Revenue Bonds, resulting in a final maturity date of May 2030 from May 2032 and an interest rate decrease. The rates ranging from 3.43% to 4.35% decreased to 1.878% to 2.35%. On June 29, 2020, the University refunded the 2008 Revenue Bonds.

Combined aggregate amounts of principal maturities and interest for indebtedness are as follows:

	Principal	Interest	Total
2022	\$ 1,825	\$ 810	\$ 2,635
2023	1,850	765	2,615
2024	1,875	720	2,595
2025	1,900	674	2,574
2026	1,925	627	2,552
Thereafter	21,205	547	21,752
Total	\$ 30,580	\$ 4,143	\$ 34,723

7. Net Assets Released From Restrictions

Sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by donors were as follows during the years ended May 31:

	2021	2020
Academic programs	\$ 2,922	\$ 3,716
Community service	127	347
Operational support	414	2,315
Scholarships	5,065	3,765
Total operating activities	\$ 8,528	\$ 10,143
Nonoperating activities, building improvement	\$ 322	\$ 34

8. Restrictions and Limitations on Net Asset Balances

Net assets with donor restrictions consist of gifts, other unexpended revenues and gains restricted for the following as of May 31:

	2021	2020
Academic programs	\$ 88,054	\$ 67,634
Community service	2,146	1,946
Operational support and construction	5,726	7,143
Scholarships	102,168	83,793
Total	\$ 198,094	\$ 160,516

9. Endowment Net Asset Classifications

The University's endowment consists of 412 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, 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.

The Board of Trustees of the University has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions: (a) the original value of gifts donated to the University permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: duration and preservation of the fund; purposes of the University and the donor-restricted endowment fund; general economic conditions; possible effect of inflation and deflation; expected total return from income and the appreciation of the investments; and investment policies of the University.

The University has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets.

9. Endowment Net Asset Classifications (continued)

Endowment investments are diversified to achieve a reasonable defense against loss of corpus or future purchasing power while stabilizing the amount available for current spending. Taking these factors into consideration, the University's spending policy is to distribute up to 4.75% of the three-year moving average of the total endowment market value, along with utilization of any prior year carryforward balances subject to University policies.

The endowment net asset composition by type of fund consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2020	\$ 55,460	\$ 144,685	\$ 200,145
Investment return			
Investment income	615	1,604	2,219
Net appreciation	14,939	39,957	54,896
Total investment gain	15,554	41,561	57,115
Contributions	-	2,381	2,381
Transfers	27	1,281	1,308
Appropriated for expenditure	(2,726)	(6,805)	(9,531)
Endowment net assets, May 31, 2021	\$ 68,315	\$ 183,103	\$ 251,418

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature, which are reported in with donor restricted net assets, were \$0 and \$36 as of May 31, 2021 and 2020, respectively. Endowment deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

10. Net Assets

The University's net assets as of May 31 include the following:

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Nature of Specific Net Assets						
Undesignated	\$ 5,985	\$ -	\$ 5,985	\$ 174	\$ -	\$ 174
Donor-restricted	-	10,878	10,878	-	15,831	15,831
Donor-restricted endowment funds	-	183,103	183,103	-	144,685	144,685
Board-designated endowment funds	68,315	-	68,315	55,460	-	55,460
Net physical and other assets	78,802	4,113	82,915	79,305	-	79,305
Total	\$ 153,102	\$ 198,094	\$ 351,196	\$ 134,939	\$ 160,516	\$ 295,455

11. Functional and Natural Expenses

The accompanying consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy. Depreciation expense is allocated on tangible assets over its estimated useful life. Interest expense on external debt is allocated to the functional categories, which have benefited from the proceeds of the external debt.

11. Functional and Natural Expenses (continued)

For the year ended May 31, 2021, functional and natural expense consists of the following:

	Academic and student services	Auxiliaries	Program Total	Institutional support	Total
Salaries and Benefits	\$ 48,224	\$ 1,853	\$ 50,077	\$ 9,677	\$ 59,754
Professional Services	3,357	2,625	5,982	1,536	7,518
Occupancy	1,815	1,736	3,551	611	4,162
Depreciation	4,132	1,564	5,696	1,066	6,762
Interest on indebtedness	–	454	454	–	454
Operating expenses	7,033	305	7,338	3,199	10,537
Total expenses	\$ 64,561	\$ 8,537	\$ 73,098	\$ 16,089	\$ 89,187

For the year ended May 31, 2020, functional and natural expense consists of the following:

	Academic and student services	Auxiliaries	Program Total	Institutional support	Total
Salaries and Benefits	\$ 53,537	\$ 2,330	\$ 55,867	\$ 11,719	\$ 67,586
Professional Services	1,988	3,961	5,949	1,045	6,994
Occupancy	1,614	2,027	3,641	614	4,255
Depreciation	4,273	1,585	5,858	1,015	6,873
Interest on indebtedness	17	900	917	–	917
Operating expenses	8,697	369	9,066	5,581	14,647
Total expenses	\$ 70,126	\$ 11,172	\$ 81,298	\$ 19,974	\$ 101,272

12. Related-Party Transactions

The Society of Mary is represented on the University Board of Trustees and the Corporation. The Members of the Corporation (Provincial Superior and three other Provincial Council members of the Society of Mary, Province of the United States, President of the University, and the Chairperson of the Board of Trustees), upon recommendation of the Board of Trustees, approve the Bylaws of the University, the nomination of the individuals to serve on the Board of Trustees, the sale and transfer of properties, and the distribution of assets in the event of dissolution.

The Society of Mary made a pledge to the University of \$1,500 in May 2018, payable over three years, to fund an endowed Chair in Catholic and Marianist Education Leadership. Contributions receivable include \$0 and \$500 at May 31, 2021 and 2020, respectively, for the amount remaining to be paid. Including payments for amounts pledged, the Marianist Province of the United States (Marianists), the Marianists Trust, and Marianist Communities, combined, contributed amounts to the University of \$979 and \$970 for the years ended May 31, 2021 and 2020, respectively. These contributions are reported as donor-restricted private gifts.

The University entered into an agreement to lease certain real property to the Marianists during fiscal year 2004. The lease is for a term of 50 years with two 10-year renewal options. The University recorded a contribution payable of approximately \$124 at May 31, 2004, to reflect the fair value, discounted at 5.5% of the lease. The contribution payable is included in accounts payable and accrued liabilities in the accompanying consolidated statements of financial position. The Marianists own and operate certain properties within the University's campus boundaries. The University pays certain bills on behalf of the Marianists and then is reimbursed on a periodic basis. At May 31, 2021 and 2020, \$1 and \$0, respectively, are receivable.

12. Related-Party Transactions (continued)

The University receives endowment gifts from the University Alumni Association (the Association), a separate nonprofit organization that is not consolidated into the accompanying consolidated financial statements of the University. In October 2014, the Association made a pledge of \$1,000 to fund an endowed Chair in Catholic Leadership. In April 2020, the contribution receivable balance of \$800 was forgiven and \$623 was repurposed from the Alumni Association endowment fund to support student scholarships. Including payments for amounts pledged, gifts from the Association of \$2 and \$74 for the years ended May 31, 2021 and 2020, respectively, are recorded as donor-restricted private gifts.

13. Department of Education Financial Responsibility

The United States Department of Education (DOE) issued regulations on February 23, 2019, which became effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Federal Title IV regulations. The following disclosures include additional information to be used by the DOE in the calculations.

Net assets with donor restrictions, as reported on the Consolidated Statements of Financial Position, are disaggregated below:

Net assets not restricted in perpetuity	\$	105,831
Net assets restricted in perpetuity		92,263
Total net assets with donor restrictions	\$	198,094

Net Land, Buildings and Equipment as reported on the Consolidated Statements of Financial Position, are disaggregated below:

Net Land, Buildings and Equipment pre-implementation	\$	104,245
Net Land, Buildings and Equipment post-implementation without outstanding debt		4,150
Construction-in-progress		137
Total Net Land, Buildings and Equipment	\$	108,532

For the purpose of calculating the total revenue without donor restrictions and gains without donor restrictions, the investment returns reported under both operating and non-operating activities on the Consolidated Statement of Activities are aggregated.

OPERATING

Operating revenue without donor restrictions	\$	96,561
Investment return designated for current operations		(4,024)
Net Operating revenue without donor restrictions	\$	92,537

NON-OPERATING

Investment income, net of expenses	\$	1,298
Net Assets released from restrictions		322
Net capital gain on investments		13,193
Unrestricted Non-Operating Income	\$	14,813

Supplementary Information

FINANCIAL RESPONSIBILITY SUPPLEMENTARY SCHEDULE REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION

For the year ended May 31, 2021 (in thousands)

Primary Reserve Ratio

Expendable Net Assets:		
Financial statement/ Footnote Disclosure	Line item description	Amount
Consolidated Statements of Financial Position	Net assets without donor restrictions	\$ 153,102
Consolidated Statements of Financial Position	Net assets with donor restrictions	198,094
FootNote 13	Net assets with donor restrictions: restricted in perpetuity	(92,263)
FootNote 4	Annuities, term endowments and life income funds with donor restrictions	(8,707)
FootNote 13	Net land, buildings and equipment	(108,532)
FootNote 6	All debt obtained for long-term purposes, not to exceed total net land, buildings, and equipment	30,580
FootNote 12	Unsecured related-party receivables	(1)
Expendable net assets		\$ 172,273

Total expenses without donor restrictions and losses without donor restrictions		
Financial statement/ Footnote Disclosure	Line item description	Amount
Consolidated Statement of Activities	Total operating expenses	\$ 89,187
Total expenses without donor restrictions and losses without donor restrictions		\$ 89,187

Equity Ratio

Modified Net Assets		
Financial statement/ Footnote Disclosure	Line item description	Amount
Consolidated Statements of Financial Position	Net assets without donor restrictions	\$ 153,102
Consolidated Statements of Financial Position	Net assets with donor restrictions	198,094
FootNote 12	Unsecured related-party receivables	(1)
Modified net assets		\$ 351,195

Modified assets:		
Financial statement/ Footnote Disclosure	Line item description	Amount
Consolidated Statements of Financial Position	Total assets	\$ 393,504
FootNote 12	Unsecured related-party receivables	(1)
Modified assets		\$ 393,503

FINANCIAL RESPONSIBILITY SUPPLEMENTARY SCHEDULE (continued)

For the year ended May 31, 2021 (in thousands)

Net Income Ratio

Change in net assets without donor restrictions:		
Financial statement/ Footnote Disclosure	Line item description	Amount
Consolidated Statement of Activities	Change in net assets without donor restrictions	\$ 18,163
Change in net assets without donor restrictions		\$ 18,163
Total revenue without donor restrictions and gains without donor restrictions:		
Financial statement/ Footnote Disclosure	Line item description	Amount
FootNote 13	Total operating revenue	\$ 92,537
FootNote 13	Non-Operating – income/(loss)	14,813
Total revenue without donor restrictions and gains without donor restrictions		\$ 107,350