Financial Statements and Report of Independent Certified Public Accountants

Clark University

May 31, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Clark University

Opinion

We have audited the financial statements of Clark University (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 accompanying financial statements present fairly, in all material respects, the financial position of the University as of May 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with US GAAS, we:

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

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

Grant Thornton LLP

Boston, Massachusetts
October 16, 2026

Clark University

STATEMENTS OF FINANCIAL POSITION

May 31,
(In thousands)

	2026	2025
Assets		
Cash and cash equivalents	$ 13,644	$ 20,580
Receivable from investment sales	16,703	-
Accounts receivable, net	2,149	2,829
Prepaid expenses and other assets	7,066	7,345
Contributions receivable, net (Note 4)	9,448	9,759
Beneficial interests in outside trusts	2,082	2,957
Investments, at fair value (Note 5)	561,759	514,983
Land, buildings, and equipment, net (Note 7)	201,887	211,662
Total assets	$ 814,738	$ 770,115
Liabilities		
Accounts payable and accrued expenses	$ 15,865	$ 16,959
Advance payments under grants (Note 2)	1,355	1,523
Other liabilities	6,220	6,481
Deposits and deferred revenue (Note 2)	7,653	8,059
Bonds payable (Note 9)	154,576	154,547
Liability for split-interest agreements	5,794	5,486
Total liabilities	191,463	193,055
Net assets (Note 11)		
Without donor restrictions	119,015	129,924
With donor restrictions		
Time or purpose	307,345	259,827
Perpetual	196,915	187,309
Total net assets	623,275	577,060
Total liabilities and net assets	$ 814,738	$ 770,115

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

Clark University

STATEMENTS OF ACTIVITIES

Year ended May 31, 2026 (with summarized comparative total information for the year ended May 31, 2025)
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
Operating revenue and other support				
Student tuition and fees, net	$ 66,407	$ -	$ 66,407	$ 81,747
Auxiliary services	20,294	-	20,294	20,791
Contribution revenue	4,146	16,181	20,327	7,496
Income appropriated under spending policy	27,231	4,362	31,593	27,723
Grants and contracts	9,605	-	9,605	12,064
Federal student financial aid	1,046	-	1,046	1,046
Other investment income	128	-	128	44
Other income	3,247	127	3,374	6,961
Net assets released from restrictions	8,904	(8,904)	-	-
Total operating revenue and other support	141,008	11,766	152,774	157,872
Operating expense				
Instruction	57,628	-	57,628	62,171
Student services	21,488	-	21,488	20,986
Academic support	24,334	-	24,334	22,720
General institutional	19,402	-	19,402	19,732
Alumni and development	6,564	-	6,564	5,599
Research and sponsored programs	12,911	-	12,911	14,124
Auxiliary services	18,307	-	18,307	19,035
Total operating expense	160,634	-	160,634	164,367
Change in net assets from operations	(19,626)	11,766	(7,860)	(6,495)
Non-operating activity				
Investment income net of amounts appropriated under spending policy	8,235	38,026	46,261	10,629
Contributions	26	9,074	9,100	5,459
Income appropriated under spending policy	78	454	532	505
Change in value of beneficial interest in outside trust	-	(875)	(875)	207
Annuity and unitrust obligation expense	(34)	(1,104)	(1,138)	(653)
Impairment of capital project	-	-	-	(5,333)
Other non-operating changes, net	177	18	195	539
Net assets released from restrictions	235	(235)	-	-
Total non-operating revenue (expense)	8,717	45,358	54,075	11,353
Change in net assets	(10,909)	57,124	46,215	4,858
Net assets - beginning of year	129,924	447,136	577,060	572,202
Net assets - end of year	$ 119,015	$ 504,260	$ 623,275	$ 577,060

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

Clark University

STATEMENT OF ACTIVITIES

Year ended May 31, 2025
(In thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and other support			
Student tuition and fees, net	$ 81,747	$ -	$ 81,747
Auxiliary services	20,791	-	20,791
Contribution revenue	4,958	2,538	7,496
Income appropriated under spending policy	23,196	4,527	27,723
Grants and contracts	12,064	-	12,064
Federal student financial aid	1,046	-	1,046
Other investment income	44	-	44
Other income	6,961	-	6,961
Net assets released from restrictions	5,954	(5,954)	-
Total operating revenue and other support	156,761	1,111	157,872
Operating expense			
Instruction	62,171	-	62,171
Student services	20,986	-	20,986
Academic support	22,720	-	22,720
General institutional	19,732	-	19,732
Alumni and development	5,599	-	5,599
Research and sponsored programs	14,124	-	14,124
Auxiliary services	19,035	-	19,035
Total operating expense	164,367	-	164,367
Change in net assets from operations	(7,606)	1,111	(6,495)
Non-operating activity			
Investment income net of amounts appropriated under spending policy	1,902	8,727	10,629
Contributions	-	5,459	5,459
Income appropriated under spending policy	77	428	505
Change in value of beneficial interest in outside trust	-	207	207
Annuity and unitrust obligation expense	(52)	(601)	(653)
Impairment of capital project	(5,333)	-	(5,333)
Other non-operating changes, net	491	48	539
Net assets released from restrictions	136	(136)	-
Total non-operating revenue (expense)	(2,779)	14,132	11,353
Change in net assets	(10,385)	15,243	4,858
Net assets - beginning of year	140,309	431,893	572,202
Net assets - end of year	$ 129,924	$ 447,136	$ 577,060

The accompanying notes are an integral part of this financial statement.

Clark University

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended May 31,
(In thousands)

	Instruction	Student Services	Academic Support	General Institutional	Alumni and Development	Research and Sponsored Programs	Auxiliary Services	Operations and Maintenance	2026 Total	2025 Total
Expenses										
Salary and wages	$ 34,047	$ 8,116	$ 10,995	$ 8,235	$ 3,163	$ 4,677	$ 452	$ 6,316	$ 76,001	$ 79,786
Employee benefits	8,313	1,989	2,937	1,170	905	831	106	1,630	17,881	19,075
Purchased services	2,757	3,883	2,772	5,011	1,261	2,569	8,216	1,966	28,435	29,446
Travel, conferences and meals	1,794	2,471	539	178	486	762	43	20	6,293	5,938
Utilities, maintenance and occupancy	208	283	152	391	13	16	463	5,538	7,064	6,399
Other operating expense	1,008	1,189	2,110	489	415	327	156	748	6,442	6,255
Subtotal prior to allocations	48,127	17,931	19,505	15,474	6,243	9,182	9,436	16,218	142,116	146,899
Allocations										
Interest and fees	2,535	342	857	412	2	262	654	-	5,064	4,968
Depreciation and amortization	3,665	1,608	2,577	1,164	193	1,659	2,588	-	13,454	12,500
Operations and maintenance	3,301	1,607	1,395	2,352	126	1,808	5,629	(16,218)	-	-
Total	$ 57,628	$ 21,488	$ 24,334	$ 19,402	$ 6,564	$ 12,911	$ 18,307	$ -	$ 160,634	$ 164,367

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

Clark University

STATEMENT OF FUNCTIONAL EXPENSES

Year ended May 31, 2025
(In thousands)

	Instruction	Student Services	Academic Support	General Institutional	Alumni and Development	Research and Sponsored Programs	Auxiliary Services	Operations and Maintenance	Total
Expenses									
Salary and wages	$ 36,399	$ 9,077	$ 10,462	$ 8,827	$ 2,997	$ 4,729	$ 530	$ 6,765	$ 79,786
Employee benefits	9,105	2,132	2,953	1,175	841	826	155	1,888	19,075
Purchased services	4,275	2,953	2,626	4,816	588	3,538	9,129	1,521	29,446
Travel, conferences and meals	1,833	2,136	378	177	418	942	37	17	5,938
Utilities, maintenance and occupancy	202	211	112	537	23	32	552	4,730	6,399
Other operating expense	1,212	1,011	2,116	424	410	481	122	479	6,255
Subtotal prior to allocations	53,026	17,520	18,647	15,956	5,277	10,548	10,525	15,400	146,899
Allocations									
Interest and fees	2,487	335	841	404	2	257	642	-	4,968
Depreciation and amortization	3,539	1,613	1,914	1,150	201	1,610	2,473	-	12,500
Operations and maintenance	3,119	1,518	1,318	2,222	119	1,709	5,395	(15,400)	-
Total	$ 62,171	$ 20,986	$ 22,720	$ 19,732	$ 5,599	$ 14,124	$ 19,035	$ -	$ 164,367

The accompanying notes are an integral part of this financial statement.

Clark University

STATEMENTS OF CASH FLOWS

Years ended May 31,
(In thousands)

	2026	2025
Cash flows from operating activities		
Change in net assets	$ 46,215	$ 4,858
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation - fixed assets	13,443	12,488
Amortization of debt issuance costs and premium/discount	30	30
Amortization of right-of-use assets	11	11
Bad debt expense	215	205
Contributions restricted for long-term investments	(9,100)	(5,459)
Interest and dividends restricted for long-term purposes, net	(243)	(229)
Donated assets, (non-cash) contributions, and payments	(62)	(168)
Realized and unrealized investment (gains) losses	(80,070)	(40,654)
Loss on disposal of land, buildings, and equipment	91	19
Changes in assets and liabilities:		
Accounts receivable, net	465	371
Prepaid expenses and other assets	267	(570)
Contributions receivable	311	1,605
Beneficial interests in outside trusts	875	(207)
Accounts payable and accrued expenses	(1,094)	(3,500)
Other liabilities	(24)	1,090
Annuities and unitrust obligations	308	(114)
Deposits and deferred revenue	(406)	282
Advance payments under grants	(168)	(168)
Net cash used in operating activities	(28,936)	(30,110)
Cash flows from investing activities		
Purchase of land, buildings, and equipment	(4,738)	(7,279)
Proceeds from sales of fixed assets	979	-
Proceeds from sales of investments	91,217	58,868
Purchases of investments	(67,678)	(29,293)
Interest and dividends restricted for long-term purposes, net	243	229
Net cash provided by (used in) investing activities	20,023	22,525
Cash flows from financing activities		
Contributions restricted for long-term purposes	9,100	5,459
Decrease in federal loan program advances	(237)	(410)
Donated assets, (non-cash) contributions, and payments	(6,886)	(4,060)
Net cash provided by financing activities	1,977	989
Net change in cash and cash equivalents	(6,936)	(6,596)
Cash and cash equivalents - beginning of year	20,580	27,176
Cash and cash equivalents - end of year	$ 13,644	$ 20,580
Supplemental disclosures		
Cash paid for interest	$ 5,018	$ 5,018
Proceeds from sales of investments remaining in receivable from investment sales at year-end	$ 16,703	$ -
Additions to land, buildings, and equipment remaining in accounts payable and accrued expenses at year-end	$ 160	$ 1,329

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

NOTE 1 - ORGANIZATION

The Trustees of Clark University, an organization doing business as Clark University (the "University"), was established in 1887 and serves as a teaching and research institution offering undergraduate and graduate degrees to approximately 3,300 full and part-time students. The University's main campus is located in Worcester, Massachusetts. The University is accredited by the New England Commission of Higher Education and offers liberal arts-based education as well as professional master's degree and doctoral programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the University have been prepared using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Reclassifications of amounts in prior year's financial statements are made whenever necessary to conform to the current year's presentation.

Classification of Net Assets

Net assets, revenues, expenses, gains, and losses are classified into two categories based on the existence or absence of donor-imposed restrictions. The categories are with donor restrictions and without donor restrictions.

Net assets with donor restrictions are further classified into two categories: those that are restricted in perpetuity generally represent the historical cost (fair value at date of gift) of contributions and other inflows of assets whose use by the University is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the University. These include certain life income funds (in cases where the remainder interest for such gifts is perpetually restricted) and certain perpetual revolving loan funds that have been established by donors for the benefit of students at the University. The life income and revolving loan funds are recorded at fair value.

Net assets with donor restrictions that are restricted with regard to time or purpose generally result from contributions and other inflows of assets whose use by the University is limited by law or donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the University pursuant to those stipulations.

Net assets without donor restriction generally result from contributions or other inflows of assets whose use by the University is not limited by donor-imposed stipulations. These net assets may be designated for specific purposes by actions of the University, invested as quasi endowment, or may otherwise be limited by contractual agreement with outside parties.

Revenues are reported as increases in net assets without restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law.

Expirations of restrictions on net assets are reported as net assets released from restrictions in the statements of activities. In certain situations, donor-restricted gifts which are received and spent within the same year are reported as revenues without donor restrictions.

Operating and Non-Operating Activities

Operating activities presented in the statements of activities consist of revenues earned, income from the endowment appropriated by Clark's Board of Trustees for spending, and expenses incurred in conducting Clark's programs and services. Functional classifications of expenses include instruction, student services, academic support, general institutional (communications, community and government relations, centralized services, and administrative services), alumni and development, research and sponsored programs, auxiliary services (primarily operation of residence halls and dining services), and operations and maintenance.

Non-operating activities presented in the statements of activities include endowment investment activity, including unrealized gains and losses, net of amounts appropriated for spending, contributions and gifts that are restricted by donors to invest in perpetuity or to support the construction and purchase of capital assets, and net change in life income and similar split-interest agreements. Non-operating activities also include changes in net asset classification when donor restrictions for non-operating activities have been met, and asset impairment charges.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates made by the University involve allowances for uncollectible accounts, functional expense allocation, net realizable values of contributions receivable, economic useful lives of buildings and equipment, fair values of investments, impairment of land, buildings and equipment, and beneficial interests in outside trusts. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments purchased with an initial maturity of three months or less, excluding balances that are included in the investment accounts.

The University's banking activity, including cash and cash equivalents not classified as investments, is maintained at banks in excess of federally insured limits. It is the University's policy to monitor the financial strength of banks and other counterparties.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets include amounts paid for services to be provided in future years, insurance related account balances, inventories, and right-of-use ("ROU") assets for certain operating leases, net of accumulated amortization. Inventories consist principally of supplies and are carried at cost.

Unconditional Promises to Give

Gifts which are recorded at fair value when received, including unconditional promises to give, are recorded as revenue when the donor's written commitment is received. Unconditional pledges are recorded after discounting to the fair value of expected future cash flows, net of an allowance for unfulfilled pledges.

Beneficial Interests in Outside Trusts

The University records its beneficial interests in trusts at the fair value of the assets contributed to the trust at the time the University is notified of the trust's existence. Annual changes in the market value of the assets are recognized as restricted gains or losses within non-operating activity in the statements of activities.

Split-Interest Agreements With Donors

The University's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and charitable remainder trusts. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements. Contribution revenue is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments due to the respective donors and/or other beneficiaries or at the fair value of the estimated future receipts discounted for the estimated time period to complete the agreement.

Investments

Investments other than real estate, life insurance policies and notes receivable are stated at fair value. Real estate is stated at the fair value at the time of donation and notes receivable are stated at the outstanding principal amount of the notes (the recorded amounts for these assets approximate fair value). The fair value of publicly traded securities is based upon quoted market prices or net asset values. Other securities for which no such quotations or valuations are readily available are carried at estimated fair values. The estimated fair value of these investments is based on valuations provided by external investment managers and reviewed by management. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because these investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. Securities contributed to the University are recorded at fair value on the date of the gift.

Changes in fair value are recorded as unrealized gains or losses on investments. Realized gains or losses from the sale of investment securities are computed on the specific-identification-cost basis or, for pooled funds, on the average-cost basis.

Collections of Art, Historical Treasures, and Other Similar Assets

The University houses certain collections of works of art, literary works, and artifacts. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. They are neither disposed of for financial gain nor encumbered in any manner. Accordingly, these collections are not recorded or capitalized for financial statement purposes.

Land, Buildings, and Equipment

Land, buildings, equipment, and information technology ("IT") equipment are recorded at cost on the date of acquisition or construction or, if received as a gift, at the fair value at the time of receipt, net of accumulated depreciation or amortization.

Depreciation is computed on a straight-line basis using a half-year convention for new additions over the following estimated useful lives:

Buildings	30-50 years
Building improvements	20 years
Assets under finance lease	Life of lease
Furniture, fixtures, and equipment	4-8 years
Internal-use software, minor and major	5 years or 10 years
Software as service-implementation costs	Term of contract
Land improvements and infrastructure	15 years
Leasehold improvements	Shorter of useful life or lease period

Expenditures for maintenance, repairs, and books for the library are charged to operations as incurred; betterments that materially extend the life of assets are capitalized. Capital assets are removed from the records at the time of disposal, and any resulting gain or loss is included in the statements of activities.

Bond Issuance Costs and Bond Discount/Premium

Costs incurred in connection with bond issuance are deferred and amortized on a straight-line basis over the life of the respective debt issues; original issue discount or premium is amortized over the life of the respective debt issues using the effective-interest method. Unamortized cost of issuance and unamortized original issue premium are reported net in bonds payable.

Income Taxes

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The University is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements.

Federal Student Loan Advances

These amounts include funds advanced to the University under the Federal Perkins Loan Program. The Federal government terminated this program in 2019. The University has elected to continue to collect on these loans and return the federal portion collected.

Grants and Contracts

Federal government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University recognizes revenue associated with direct and indirect costs as the related costs are incurred or expended. Recovery of related indirect costs generally is recorded at predetermined fixed rates negotiated with the federal government.

Revenue Recognition

Substantially all of the University’s revenue is derived from student tuition and fees, private contributions, federal and state student assistance, and auxiliary enterprises related to the University. Auxiliary enterprises include dining halls, residence halls, and other undertakings which provide services primarily to students, faculty, and staff for fees directly related to, but not necessarily equivalent to, the costs of the services.

Prices for undergraduate and graduate tuition are set based upon the strategic initiatives of the University, the costs of providing the instructional and support services needed for a quality program, and an assessment of the pricing of similar institutions in its market segment. As the University sets an appropriate tuition price for each program, it considers to what extent it wishes to offer financial assistance in the form of need-based and merit-based discounts designed to expand the population of students that are able to enroll in these various programs. The cost of room and board are determined separately from tuition based on competitive costs with alternative housing and dining options in the University's immediate neighborhood and to cover the costs of providing these services.

Tuition, fees, and auxiliary revenue and associated discounts are recognized as revenue in the period to which they relate. Student deposits and deferred revenue represent tuition and student deposits paid in advance, which are recognized as income when the related educational services are provided. The components of net tuition and fees for the years ended May 31 are as follows (in thousands):

	2026	2025
Tuition and fees	$ 159,571	$ 175,423
Financial aid discount	(93,164)	(93,676)
Student tuition and fees, net	$ 66,407	$ 81,747

Financial Aid Discount

The University's financial aid is reported in the statements of activities as an adjustment to revenues. The financial aid program is funded through endowment income, gifts and grants, and institutional resources.

Deposits, Advance Payments, and Deferred Revenue

Under its Accelerated Degree Program, the University offers qualifying undergraduate students the opportunity to receive a graduate tuition scholarship. Under the scholarship, students may receive up to 100% remission of their graduate tuition. In connection with this scholarship program, at May 31, 2026 and 2025, the University had deferred revenue of $6.5 million and $6.4 million, respectively.

The activity and balance for deposits, advance payments under grants and contracts, and deferred revenue from contracts are shown in the following table (in thousands):

	Advance Payments Under Grants and Contracts	Enrollment and Housing Deposits	Accelerated Degree Program and Other Deferred Tuition	Other Deferred Revenue	Total
Balance at May 31, 2024	$ 1,691	$ 446	$ 7,254	$ 77	$ 9,468
Revenue recognized, deposits applied/forfeited	(3,973)	(1,186)	(837)	(254)	(6,250)
Payments received for future performance obligations	3,805	883	1,275	401	6,364
Balance at May 31, 2025	1,523	143	7,692	224	9,582
Revenue recognized, deposits applied/forfeited	(3,287)	(257)	(1,267)	(623)	(5,434)
Payments received for future performance obligations	3,119	483	619	639	4,860
Balance at May 31, 2026	$ 1,355	$ 369	$ 7,044	$ 240	$ 9,008

Federal Student Assistance

Substantial financial aid for students is provided by grants (including work study) and loans through federal and state programs. Federal aid totaled $17.3 million and $18.8 million for the years ended May 31, 2026 and 2025, respectively, and state aid totaled $1.2 million and $1.5 million for the years ended May 31, 2026 and 2025, respectively.

Functional Expense Allocation

Expenses have been allocated to programmatic and non-programmatic functions based on the estimated percentage of effort, usage, square footage and other criteria.

Expenses are presented by functional classification in accordance with the overall service mission of the University. Each functional classification displays all expenses related to underlying operations by natural classification. Depreciation expense is allocated based on estimated square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Operating and maintenance expense represents space related costs which are allocated to the functional categories directly and/or based on the estimated square footage occupancy.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The University's financial assets available within one year for general expenditures as of May 31 are as follows (in thousands):

	2026	2025
Total assets at year end	$ 814,738	$ 770,115
Less:		
Restricted contributions receivable due in less than one year	(5,489)	(3,919)
Contributions receivable due in more than one year, net	(3,959)	(5,840)
Donor-restricted endowment funds	(453,724)	(406,799)
Board-designated restricted endowment funds	(2,837)	(2,704)
Prepaid expenses and other assets	(7,066)	(7,345)
Land, buildings and equipment	(201,887)	(211,662)
Add:		
Endowment spending rule	41,960	31,940
Total financial assets available within one year	$ 181,736	$ 163,786

As part of the University's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the University may invest cash in excess of established liquidity targets in short-term investments. To help manage unanticipated liquidity needs, the University has a line of credit in the amount of $10 million which it could draw upon.

Additionally, the University has a board-designated endowment of $103.7 million and $94.5 million as of May 31, 2026 and 2025, respectively, which could be used for general operating expenditures if the Board of Trustees voted to approve the use of these funds for such a purpose. 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. However, 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 within one year. See Note 6 for disclosures about investment liquidity.

The University's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is primarily restricted for specific purposes, and is therefore not available for general expenditure. As described in Note 12, the University utilizes the total return method for determining the distribution to pooled funds. The Board of Trustees approved a distribution rate of between 4.75% and 7.00% of the average market value for the past 20 quarters for fiscal year 2026 and between 5.00% and 6.00% for fiscal year 2025. Under the provision of the spending rules, the amount appropriated was $32.1 million and $28.2 million for the years ended May 31, 2026 and 2025, respectively.

As described in Note 6, the University has unfunded commitments on alternative investments totaling $48.5 million as of May 31, 2026. These commitments are generally funded by liquidating other investments.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are expected to be received in the following years ended May 31 (in thousands):

	2026	2025
In less than one year	$ 5,489	$ 3,919
Between one year and five years	6,600	8,168
Total contributions receivable	12,089	12,087
Less: present fair value discount (discount rates range from 12.5% to 13.2%) and allowance for unfulfilled pledges	(2,641)	(2,328)
Contributions receivable, net	$ 9,448	$ 9,759

The University also has conditional gifts which have not been recorded in the consolidated financial statements of $27.0 million and $26.9 million as of May 31, 2026 and 2025, respectively. These conditional gifts are primarily designated for scholarships and support of the University's programs and services.

NOTE 5 - INVESTMENTS

As of May 31, investments consisted of the following (in thousands):

	2026	2025
Marketable securities		
Cash and cash equivalents	$ 6,705	$ 10,686
Corporate bonds	33,079	26,035
Government bonds	27,991	61
Real estate investment trusts	-	1
Equity securities	45,288	41,545
Partnerships		
Private equity/venture capital	95,346	124,303
Private equity international	3,744	3,716
Real assets	21,661	22,598
Absolute return/hedge funds	86,818	86,978
International equity mutual funds	64,406	65,818
Domestic equities	161,832	120,024
Life insurance	703	700
Other investments	3,152	2,797
Beneficial interest in trusts	11,034	9,721
Total investments	$ 561,759	$ 514,983

Beneficial interest in trusts as of May 31, 2026 is comprised of marketable investments of $0.2 million in money market mutual funds, $9.1 million in equity mutual funds, and $1.7 million in bonds. Beneficial interest in trusts as of May 31, 2025 is comprised of marketable investments of $0.1 million in money market mutual funds, $7.7 million in equity mutual funds, $1.6 million in bonds, and $0.3 million in publicly traded real estate investment trusts ("REITs").

Investment return on all investments, net of investment expenses and management fees, is summarized in the table below (in thousands):

	2026	2025
Net realized and unrealized gain	$ 76,921	$ 37,532
Interest and dividends, net	1,414	1,207
Split-interest agreement annuity payments, change in annuities and unitrusts payable, and related expenses, net	(1,834)	(285)
Total investment return	$ 76,501	$ 38,454

During fiscal year 2026, investments held in the endowment with a carrying value of $53.8 million were sold for $37.8 million, net of fees. Of the total sale amount of $37.8 million, $21.1 million was received in cash at closing, and the remaining $16.7 million is reported as a receivable for investments sold on the statements of financial position as of May 31, 2026.

For the year ended May 31, investment return is reported in the statements of activities as follows (in thousands):

	2026	2025
Income appropriated under spending policy	$ 32,125	$ 28,228
Investment income net of amounts appropriated under spending policy	46,261	10,629
Other investment return	128	43
Change in value of beneficial interests in outside trusts	(875)	207
Annuity and unitrust obligation expense	(1,138)	(653)
Total investment return	$ 76,501	$ 38,454

Endowment and annuity funds are generally pooled for investment purposes. Units of the pool are assigned on the basis of market value per unit at the beginning of the quarter in which funds are received. Income is distributed quarterly thereafter on a per-unit basis.

In conjunction with the annuity funds, the University has recorded a liability for split interest agreements, equal to the present value of future cash flows expected to be paid to the beneficiaries based upon their actuarial expected lives.

The University has indirect investments in derivative financial instruments through partnership investments. Derivatives, such as forward foreign currency contracts and futures contracts are used by the partnerships to hedge against risk.

NOTE 6 - FAIR VALUE MEASUREMENTS

The University measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Inputs include quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 - Inputs are unobservable for the asset or liability and reflect management's own estimates.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Contributions Receivable

Contributions receivable are reported based on non-recurring fair value measurements and classified as Level 3. Any multi-year pledges received are initially recorded at the fair value (pledge net of discount) and subsequently amortized over the expected payment period, net of an allowance for uncollectible pledges. The discounts on these pledges are computed using rates commensurate with the risks involved and applicable to the years in which the promised funds are expected to be received.

Investments

Investments whose values are based on quoted market prices in active markets are classified as Level 1. These investments primarily consist of publicly traded mutual funds, government bonds, corporate bonds and equity securities. Investments whose values are based on prices in markets that are not active are classified as Level 2. Interests in private partnerships that can be redeemed at the measurement date and interests in private partnerships that are not redeemable at the measurement date are measured at net asset value ("NAV").

Beneficial Interests in Trusts

Assets held in outside trusts are classified as Level 3, as the University is not the trustee for these trusts and the unit of ownership is an individual interest in the trust. The University determines the fair value of the outside trusts based on the underlying investments as reported by the relevant Trustees. Assets held in other trusts are classified according to the nature of the underlying assets in the trust as the University is the trustee for these trusts.

Annuities and Unitrusts Payable

Annuities and Unitrusts Payable are based on non-recurring Level 3 fair value measurements. These instruments are initially recorded at the present value of future cash flows with a fair value discount rate adjusted for market conditions to determine fair value.

The following tables set forth the University's financial assets that were accounted for at fair value on a recurring basis as of May 31 by level within the fair value hierarchy (in thousands):

	May 31, 2026				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Financial assets					
Investments					
Cash and cash equivalents	$ 6,705	$ -	$ -	$ -	$ 6,705
Corporate bonds	-	33,079	-	-	33,079
Government bonds	27,991	-	-	-	27,991
Real estate investment trusts	-	-	-	-	-
Equity securities	45,288	-	-	-	45,288
Partnerships	-	-	-	433,807	433,807
Other	-	-	-	3,152	3,152
Beneficial interests in trusts	11,034	-	-	-	11,034
Beneficial interests in outside trusts	-	-	2,082	-	2,082
Total	$ 91,018	$ 33,079	$ 2,082	$ 436,959	$ 563,138

	May 31, 2025				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Financial assets					
Investments					
Cash and cash equivalents	$ 10,686	$ -	$ -	$ -	$ 10,686
Corporate bonds	-	20,534	-	-	20,534
Government bonds	5,561	-	-	-	5,561
Real estate investment trusts	1	-	-	-	1
Equity securities	41,545	-	-	-	41,545
Partnerships	-	-	-	423,438	423,438
Other	-	-	-	2,797	2,797
Beneficial interests in trusts	9,721	-	-	-	9,721
Beneficial interests in outside trusts	-	-	2,957	-	2,957
Total	$ 67,514	$ 20,534	$ 2,957	$ 426,235	$ 517,240

There were no transfers between levels during the years ended May 31, 2026 and 2025.

The following table sets forth the liquidity, redemption policies, and unfunded commitments of the University's investments that have been accounted for using NAV per share or its equivalent as a practical expedient for calculating fair value as of May 31 (in thousands):

	2026 Fair Value	Unfunded Commitments	Frequency	Notice Period	2025 Fair Value
Private equity/venture capital	$ 95,346	$ 27,734	Illiquid	N/A	$ 123,733
Private equity/venture capital	-	-	Quarterly	45-91 days	570
Private equity/international	3,744	580	Illiquid	N/A	3,716
Real assets	2,044	729	Illiquid	N/A	1,978
Hybrid investments	16,622	8,417	Illiquid	N/A	20,779
Absolute return/hedge	1,030	-	Illiquid	N/A	2,280
Absolute return/hedge	69,166	-	Quarterly/Annually	30-90 days	63,919
International equity mutual funds	-	-	Quarterly/Annually	30-90 days	6,493
Domestic equities	13,593	-	Temporarily Illiquid	(1)	13,344
Domestic equities	148,238	-	Quarterly/Annually	60-105 days	106,681
Global equities	20,063	-	Temporarily Illiquid	(1)	19,543
Global equities	44,344	-	Quarterly/Annually	60-105 days	39,782
Other investments	3,152	-	Illiquid	N/A	2,797
Real estate	19,617	11,052	Illiquid	N/A	20,620
Total	$ 436,959	$ 48,512			$ 426,235

(1) Temporarily illiquid includes lockups with definite expiration dates or funds in liquidation which have suspended normal liquidity terms or trusts that become liquid upon death of final beneficiary.

NOTE 7 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following as of May 31 (in thousands):

	2026	2025
Land	$ 17,042	$ 17,101
Land improvements and infrastructure	25,123	25,190
Buildings	183,067	184,254
Building improvements	142,556	140,201
Furniture, fixtures, and equipment	25,418	25,329
Assets under finance lease	257	257
Internal-use software	1,034	998
Total	394,497	393,330
Less: accumulated depreciation	(197,310)	(186,385)
Plus: construction in progress	4,700	4,717
Land, buildings, and equipment, net	$ 201,887	$ 211,662

The University has entered into contracts for various construction projects on campus. The total obligation for these contracts is $1.9 million of which $1.4 million had been expended at May 31, 2026, with $0.5 million remaining to be spent.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Leases

The University assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the University's right to control the use of an identified asset for a period of time in exchange for consideration. The University has one non-cancelable operating lease for space, for which a ROU asset and a lease liability are recorded on the accompanying statements of financial position. The lease contains no renewal or termination options, nor any restrictions or covenants. The lease contains variable lease payments based on market indices, and does not include residual value guarantees.

The University has elected the practical expedient to forgo applying the recognition requirements in ASC 842 to short-term leases, and has elected to forgo application of ASC 842 to leases below a dollar threshold that are immaterial to the financial statements.

The University also leases equipment under leases which are classified as finance leases. The obligation associated with these leases is included in other liabilities in the statements of financial position. The amount of assets recorded under finance leases is included in land, buildings, equipment and construction in progress and had a capitalized value of $257,000 as of May 31, 2026 and 2025, with related accumulated depreciation of $231,000 and $180,000 as of May 31, 2026 and 2025, respectively.

As of May 31, the University’s ROU asset and lease liability were as follows (in thousands):

	2026	2025
Operating lease ROU asset	$ 923	$ 932
Operating lease liability		
Other current liabilities	12	11
Other long-term liabilities	911	922
Total operating lease liability	$ 923	$ 933

The amount of the ROU asset and lease liability were determined using risk-free discount rates based on the U.S. Treasury Rate which most closely approximated the remaining term of the lease at the date that the ROU asset and lease liability were recorded.

The maturity of the University's lease liability for operating leases due in future fiscal years as of May 31, 2026 is as follows (in thousands):

2027	$ 12
2028	12
2029	12
2030	12
2031	13
Thereafter	2,634
Total lease payments	2,695
Less: imputed interest	(1,772)
Total operating lease liability	$ 923

Lease expense for the years ended May 31, 2026 and 2025 was $109,000 and $109,000, respectively.

As of May 31, 2026, future minimum rental payments due under non-cancelable lease agreements were as follows (in thousands):

	Operating Leases	Finance Leases	Total
2027	$ 35	$ 44	$ 79
2028	34	-	34
2029	22	-	22
2030	12	-	12
2031	13	-	13
Thereafter	2,634	-	2,634
Total minimum lease payments	$ 2,750	44	$ 2,794
Less: imputed interest		-	
Finance lease obligation		$ 44	

Contingencies

All funds expended by the University in connection with government grants and contracts are subject to audit by governmental agencies. In the opinion of management, any cost disallowances resulting from these audits would not have a material effect on the University's financial position.

The University is periodically involved in claims, suits, and other legal matters, all of which arise in the normal course of business. Management does not believe that the outcome of any currently pending matters, either individually or in the aggregate, will have a material impact on the University's statement of financial position or statement of activities.

NOTE 9 - BONDS PAYABLE

Bonds payable as of May 31 consisted of the following (in thousands):

	2026	2025
Series 2021 Taxable Bonds	$ 155,200	$ 155,200
Unamortized original issue discount/premium	(314)	(332)
Unamortized financing issue costs	(310)	(321)
Total bonds payable	$ 154,576	$ 154,547

In November 2021, the University issued $155.2 million of Series 2021 taxable bonds for the purpose of refunding existing debt as follows: MDFA 2008 and the related interest rate swap agreement, Series 2015, Series 2020, and to finance the renovation and/or equipping of certain facilities of the University as well as to pay the costs of issuing the bonds. The Series 2021 bonds carry fixed interest rates ranging from 2.613% to 3.316% and fully mature in 2053. The weighted average effective rate of the bonds is 3.23%.

Principal payments related to the above indebtedness due in future fiscal years are as follows as of May 31, 2026 (in thousands):

2027	$ -
2028	-
2029	-
2030	1,000
2031	1,535
Thereafter	152,665
Total principal payments	$ 155,200

Interest expense on bonds payable was $5.0 million for the years ended May 31, 2026 and 2025.

NOTE 10 - LINE OF CREDIT

The University has a demand note working capital line of credit of $10 million with a bank. The line bears interest at the one-month Term Secured Overnight Financing Rate (“Term SOFR”) plus 161 basis points with a floor of 4%, and expires January 2027. There were no borrowings outstanding on the line at May 31, 2026 or 2025.

NOTE 11 - COMPONENTS OF NET ASSETS

The components of net assets at May 31 are as follows (in thousands):

	2026	2025
Net assets without donor restriction		
Undesignated funds	$ 18,135	$ 38,100
Board-designated endowment	100,880	91,824
Total net assets without donor restriction	119,015	129,924
Net assets with donor restriction		
Restricted to time and purpose		
Endowed funds - accumulated market value appreciation	275,026	239,144
Pledges and life insurance policies for non-endowment purposes	5,119	3,608
Unspent endowment distributions restricted as to purpose	8,551	8,938
Unspent gifts restricted as to purpose	18,164	7,777
Trusts for restricted purposes	485	360
Perpetual donor restriction		
Endowed funds - corpus	183,543	173,260
Pledges and life insurance policies for endowment purposes	5,243	6,981
Trusts with endowed purposes	7,233	6,191
Donor-restricted loan funds	896	877
Total net assets with donor restriction	504,260	447,136
Total net assets	$ 623,275	$ 577,060

The University has classified certain funds in the statements of financial position as net assets restricted as to time or purpose, which is consistent with the donors' primary intent. However, through agreements with the donors, these funds are available to the University to meet financial obligations in the event no other sources are available. At May 31, 2026, donor-endowed funds with a fair value of $167.2 million including $74.3 million of cumulative gains in net assets with restrictions as to time or purpose and $92.9 million of principal in net assets with restrictions in perpetuity, could be utilized by the Trustees if it should become impossible and/or impractical to employ the funds as the donors intended.

Designated funds without restriction are legally considered to be funds without restriction invested with the University's pooled endowment.

NOTE 12 - ENDOWMENTS

The University's endowment consists of approximately 600 different funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the University to function as quasi-endowments. As required by US GAAP, 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.

Interpretation of Relevant Law

In June 2009, the Commonwealth of Massachusetts enacted a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board of Trustees is permitted to determine a prudent payout amount, even if the market value of the fund is below the historic-dollar value. There is an expectation that, over time, the amount of net assets with restrictions in perpetuity will generally remain intact. The perspective is aligned with the accounting standards definition that funds restricted in perpetuity are those that must be held in perpetuity even though the historic-dollar value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with restrictions in perpetuity and is regarded as net appreciation is classified as net assets with restrictions as to time or purpose until those amounts are appropriated for expenditure by the organization in a manner consistent with the University's spending policy.

Endowment Investment Policy

The University has adopted an investment philosophy, which combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods, as well as designated funds. Under the University's investment policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University outsources investment management to a variety of managers with differing strategies. The Investment Committee of the Board is responsible for setting asset allocation policy and selecting and overseeing the managers.

Spending Policy

The University utilizes the total return method for determining the distribution to pooled funds. The total return includes investment yield (interest and dividends, less investment fees), realized gains (losses), and unrealized appreciation (depreciation). The spending distribution for funds that are "underwater" may be reduced when the funds are deemed at risk of permanent loss of principal.

Underwater Funds

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Deficiencies of this nature are reported in net assets with donor restrictions. As of May 31, 2026, endowment funds with an original gift amount of $28.5 million and a fair value of $27.6 million were underwater by $0.9 million. As of May 31, 2025, endowment funds with an original gift amount of $36.5 million and a fair value of $33.2 million were underwater by $3.3 million.

Endowment net asset composition by type of fund as of May 31, 2026 (in thousands) is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 453,724	$ 453,724
Board-designated funds	100,880	2,837	103,717
Total funds	$ 100,880	$ 456,561	$ 557,441

Included in endowment net assets as of May 31, 2026 are $16.7 million of proceeds from the sale of investments which are recorded in the Statement of Financial Position as receivables.

Changes in endowment net assets for the fiscal year ended May 31, 2026 (in thousands) are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 91,824	$ 409,503	$ 501,327
Investment returns, net	14,530	61,230	75,760
Contributions and transfers	1,168	11,311	12,479
Appropriations of endowment assets for expenditure (draw)	(6,642)	(25,483)	(32,125)
Endowment net assets, end of year	$ 100,880	$ 456,561	$ 557,441

Endowment net asset composition by type of fund as of May 31, 2025 (in thousands) is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 406,799	$ 406,799
Board-designated funds	91,824	2,704	94,528
Total funds	$ 91,824	$ 409,503	$ 501,327

Changes in endowment net assets for the fiscal year ended May 31, 2025 (in thousands) are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 90,506	$ 396,340	$ 486,846
Investment returns, net	7,045	30,840	37,885
Contributions and transfers	(507)	5,331	4,824
Appropriations of endowment assets for expenditure (draw)	(5,220)	(23,008)	(28,228)
Endowment net assets, end of year	$ 91,824	$ 409,503	$ 501,327

Board-designated funds with donor restrictions consist of temporarily restricted funds that have been invested in the endowment.

NOTE 13 - RETIREMENT PLANS

The University participates in a defined contribution plan administered by the Teachers Insurance & Annuity Association and Fidelity Investments. The plan requires a two-year waiting period before new employees may participate, however this requirement is waived for those with two years of continuous service in a non-student position at another institution of higher education. Participants contributed at least 5% of salary and the University contributed 5% of salary during 2026 and 10% of salary during 2025. Contribution expenses recognized by the University related to the plan were $2.7 million in 2026 and $5.2 million in 2025.

NOTE 14 - RELATED PARTY TRANSACTIONS

Members of the University's Board of Trustees and employees may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University has a written conflict of interest policy that requires, among other things, that no Trustees or employees may participate in any decision in which they have a material financial interest. Each Trustee and employee who has significant influence over the spending of University or grant funds are required to certify compliance with the conflict of interest policy on an annual basis as well as disclose any potential related party transactions to an authorized body of the University. When a related party relationship exists, the University requires that transactions be conducted at arms' length, with terms that are fair and reasonable to and for the benefit of the University. During 2026, gifts of $15 million were received from a Trustee, which represents 51% of total contributions for the year ended May 31, 2026. There were no material related party transactions during the year ended May 31, 2025.

NOTE 15 - SUBSEQUENT EVENTS

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to May 31, 2026 and through October 16, 2026, the date on which the financial statements were available to be issued, and has determined that no events have occurred that require adjustment to or disclosure in the financial statements.