University of Detroit Mercy

Financial Report

June 30, 2025

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Balance Sheet

June 30, 2025 and 2024
(rounded to nearest thousand)

	2025	2024
Assets		
Cash and cash equivalents (Note 14)	$ 31,417	$ 44,646
Investments (Note 7)	123,768	100,462
Receivables - Net of allowances:		
Student (Note 15)	4,943	5,941
Government	1,550	3,816
Other	2,851	1,162
Total receivables - Net of allowances	9,344	10,919
Contributions receivable - Net (Note 3)	1,900	3,222
Prepaids, deposits, and other assets	1,747	1,291
Notes receivable - Net of allowances (Note 4)	9,583	9,922
Restricted cash (Note 9)	38,352	3,729
Right-of-use operating lease assets	5,058	396
Properties - Net (Note 8)	146,088	144,289
Total assets	**$ 367,257**	**$ 318,876**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 8,138	$ 8,152
Unearned revenue	9,154	9,402
Federal student loans	9,508	10,200
Other accrued expenses	6,412	6,556
Operating lease liabilities	5,081	424
Accrued postretirement benefits (Note 11)	3,212	3,374
Notes and bonds payable (Note 9)	88,164	54,188
Total liabilities	129,669	92,296
Net Assets		
Without donor restrictions	116,860	115,296
With donor restrictions	120,728	111,284
Total net assets	237,588	226,580
Total liabilities and net assets	**$ 367,257**	**$ 318,876**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2025 and 2024
(rounded to nearest thousand)

	2025	2024
Changes in Net Assets without Donor Restrictions		
Operating revenue:		
Student tuition and fees:		
Student tuition and fees	$ 185,909	$ 178,875
Less university-sponsored student financial aid	(50,138)	(46,712)
Less student financial aid funded from gifts and grants	(12,469)	(10,324)
Total student tuition and fees	123,302	121,839
Government appropriations, grants, and contracts	17,501	15,409
Departmental activities and other revenue	12,999	9,724
Auxiliary enterprises	9,139	8,224
Private gifts, grants, and contracts	4,795	8,332
Realized and unrealized gains on investments - Net	1,815	1,509
Investment income	2,263	1,978
Net assets released from restrictions	10,098	5,611
Total operating revenue	181,912	172,626
Operating expenses:		
Salaries, wages, and benefits	116,919	109,102
Professional fees and contracted services	24,066	23,029
Occupancy, utilities, and maintenance	5,532	6,751
Materials, supplies, printing, and postage	9,627	8,277
Meetings, travel, and memberships	4,259	4,207
Depreciation and amortization	10,699	10,176
Interest	3,407	2,854
Other expenses	5,612	4,298
Total operating expenses	180,121	168,694
Increase in Unrestricted Net Assets from Operations	1,791	3,932
Nonoperating Activities		
Adjustment to value of interest rate swap agreement (Note 9)	-	708
Adjustment to pension and postretirement benefits (Note 11)	(228)	(142)
Total nonoperating activities	(228)	566
Increase in Unrestricted Net Assets	1,563	4,498
Changes in Net Assets with Donor Restrictions		
Gifts	7,538	10,350
Net realized and unrealized gains on investments	10,964	10,433
Investment income	1,041	1,236
Net assets released from restrictions	(10,098)	(5,611)
Increase in Net Assets with Donor Restrictions	9,445	16,408
Increase in Net Assets	11,008	20,906
Net Assets - Beginning of year	226,580	205,674
Net Assets - End of year	**$ 237,588**	**$ 226,580**

See notes to financial statements.

Statement of Cash Flows

Years Ended June 30, 2025 and 2024
(rounded to nearest thousand)

	2025	2024
Cash Flows from Operating Activities		
Increase in net assets	$ 11,008	$ 20,906
Adjustments to reconcile increase in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Realized and unrealized net gain of investments - Net	(12,779)	(11,942)
Depreciation	10,432	9,911
Amortization of bond issuance costs	(42)	78
Provision for bad debt	1,401	493
Accrued postretirement benefits	(162)	(400)
Decrease in fair value of interest rate swap	-	(230)
Gifts restricted for long-term investments	(4,595)	(2,168)
Noncash lease expense	(6)	-
Changes in operating assets and liabilities that (used) provided cash, cash equivalents, and restricted cash:		
Accounts receivable	(18)	(2,277)
Contributions receivable	1,322	17
Prepaids, deposits, and other assets	(455)	464
Accounts payable	(724)	201
Accrued other expenses	(144)	696
Unearned revenue	(248)	(605)
Net cash, cash equivalents, and restricted cash provided by operating activities	4,990	15,144
Cash Flows from Investing Activities		
Purchases of investments	(23,790)	(79,375)
Proceeds from sales and maturities of investments	13,263	76,872
Disbursements of loans to students	(1,284)	(315)
Repayments of loans from students	1,815	3,916
Decrease in federal student loans payable	(692)	(1,175)
Acquisition of properties	(11,521)	(16,044)
Net cash, cash equivalents, and restricted cash used in investing activities	(22,209)	(16,121)
Cash Flows from Financing Activities		
Proceeds from notes and bonds payable	35,000	55,450
Payments on notes and bonds payable	(845)	(51,631)
Bond issuance costs	(137)	(628)
Gifts restricted for long-term investment	4,595	2,168
Net cash, cash equivalents, and restricted cash provided by financing activities	38,613	5,359
Net Increase in Cash, Cash Equivalents, and Restricted Cash	21,394	4,382
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	48,375	43,993
Cash, Cash Equivalents, and Restricted Cash - End of year	**$ 69,769**	**$ 48,375**
Supplemental Cash Flow Information - Cash paid for interest	$ 3,247	$ 2,462
Significant Noncash Transactions - Right-of-use assets obtained in exchange for new operating lease liabilities	$ 4,929	$ -

See notes to financial statements.

Note 1 - Nature of Organization

University of Detroit Mercy (the "University") is an accredited coeducational higher education institution. University of Detroit Mercy is Michigan's largest and most comprehensive Catholic university. In 1990, the University of Detroit, which was founded in 1877 by the Society of Jesus, consolidated with Mercy College of Detroit, which was founded in 1941 by the Religious Sisters of Mercy, to form University of Detroit Mercy. The University of Detroit Mercy offers more than 100 academic degrees and programs through seven schools and colleges across three campuses. Current enrollment is approximately 5,500 students.

Note 2 - Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the University have been prepared on the accrual basis.

Cash Equivalents

The University considers all investments with maturities of less than 90 days when purchased to be cash equivalents. The University maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250. The University maintains cash balances in excess of the $250 guarantee. The University has not experienced any losses in such accounts.

Student Accounts Receivable

The University's accounts receivable balance consists of amounts due from students. Accounts receivable are stated at billed amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the life of the receivables. The University collectively evaluates receivables to determine the allowance for credit losses based on an evaluation of the current age of receivables, historical experience, and economic environmental factors. The University calculates the allowance using an expected loss model that considers the University's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The University considers past-due amounts, prior payment history with affected students, and geographic and general economic conditions when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Contributions Receivable

Contributions receivable represent unconditional promises from donors to be used for capital and operating purposes. An allowance for uncollectible contributions and related expense is established based on the age and historical collection results of receivables from donors. Actual uncollectible contributions are charged against the allowance for uncollectible contributions in the period that determination is made. The receivables are also discounted at five-year T-bill discount rates ranging from 0.29 percent to 4.33 percent.

Student Loans Receivable

The University participates in various student loan programs that provide loans to qualified students. The University makes uncollateralized loans to students based on financial need. Such loans are funded through government programs and institutional resources. These loans have mandated interest rates and repayment terms. The government-funded loans are subject to significant restrictions as to their transfer or disposition. Management reviews and assesses the collectibility of notes receivable on an annual basis and provides an allowance when collection is doubtful (see Note 4). As of June 30, 2025 and 2024, notes receivable represented 2.6 percent and 3.1 percent of total assets, respectively.

Note 2 - Significant Accounting Policies (Continued)

Investments

The University invests in commercial paper, government bonds, corporate bonds, mutual funds, and common and preferred stocks. Substantially all of the investments are registered securities held by the University's custodians or by its agents and are subject to predetermined guidelines based on quality ratings issued by appropriate rating agencies. The University's investments in real estate are individually approved by the board of trustees.

Certain of the University's investments are pooled in common investment funds. The pooled investment funds are reported at fair market value, which is determined by quoted market prices. Certain investments within the pooled investment funds without readily determinable fair values are valued based on the net asset value per share (or its equivalent). The stated values approximate fair value, as determined by the investment managers. Due to the inherent uncertainty of valuation, the estimated fair values may differ significantly from values that would have been used had readily available market values for the investments existed, and the differences could be material. Other investments are reported at fair value, which is determined by either quoted market prices or quoted prices for similar assets and liabilities in active markets or other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Earnings from investments represent investment gains and losses, dividends, and interest, net of direct investment expenses.

Properties

Property and equipment are recorded at cost or, if acquired by gift, at fair value at the date of gift. Depreciation of properties is provided by the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 50 years. Depreciation expense for the years ended June 30, 2025 and 2024 totaled $10,432 and $9,911, respectively.

Unearned Revenue

Unearned revenue primarily represents unearned tuition and fees for class sessions to be conducted in the subsequent fiscal year.

Leases

The University has operating leases for a building, parking, and various equipment. The University recognizes expense for operating leases on a straight-line basis over the lease term. The University has made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The University has elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all leases. As such, the University considers the daily U.S. Treasury par yield curve issued by the U.S. Department of the Treasury to be a risk-free rate.

The University's operating leases may include options to extend the leases at the conclusion of the initial lease term, as defined in the applicable lease agreements. In measuring the right-of-use operating lease assets and operating lease liabilities, the University includes only those extension options that, in management's judgment, are reasonably certain to be exercised.

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets

The University records net assets, revenue, 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 -** Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as unrestricted support. Gifts of land, buildings, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.
- Details of net assets without donor restrictions are disclosed in Note 5.
- **With Donor Restrictions -** Donor-restricted net assets may have restrictions for time or purpose or may have restrictions that are permanently maintained by the University. Contributions for which donors have imposed restrictions that limit the use of the donated assets are reported as donor-restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, donor-restricted net assets are classified to without donor restrictions and reported as net assets released from restrictions. Income from net assets restricted by donors for time or purpose is predominantly intended to fund general operations, investment in properties, and scholarship expenditures. Unconditional promises from donors are reported as contributions receivable as part of donor-restricted support and are recognized at the estimated present value of the future cash flows, net of allowances. Net assets with donor restrictions in perpetuity are permanently maintained by the University with only the income earned thereon available for current use. This includes gifts, trusts, and contributions that, by donor restriction, require the corpus be invested in perpetuity.
- Details of net assets with donor restrictions are disclosed in Notes 5 and 6

Revenue Recognition

Tuition and fees are recorded as unrestricted revenue in the appropriate fiscal year. Tuition and fees received in advance of the following academic year are recorded as unearned revenue in the year in which the funds are received.

Revenue from government grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreements.

Unconditional promises to give cash and other assets to the University are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received.

Other sources of revenue not otherwise categorized are recognized in the fiscal year in which they are earned.

Revenue Recognition for Contract Revenue

The University has revenue streams that constitute significant revenue from contracts with customers: tuition revenue, room and board revenue, dental clinic revenue, and auxiliary services (including athletics).

Note 2 - Significant Accounting Policies (Continued)

The University typically satisfies its performance obligations for these revenue streams over time, as services are rendered, because students and patients typically obtain the benefits of such services as the services are performed. The University typically uses days elapsed during the semester to measure progress of tuition and room and board revenue toward completion of performance obligations satisfied over time.

For revenue streams such as dental clinic revenue and athletics, the time required to render a service is trivially short; in those cases, the University satisfies its performance obligation upon completion of the service. The service is completed upon transfer of control to the service, which is based upon when the University has right to payment and the student or patient has accepted the service.

Each contract with students or patients typically contains only one performance obligation. Accordingly, the University need not allocate the transaction price.

In addition, students who adjust their course load or withdraw completely within the first two weeks of the academic term may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Changes in student enrollment status during the current reporting period may result in changes to the revenue recognized for performance obligations that were previously fully or partially satisfied.

Invoices (course and fee statement) for tuition, fees, and room and board are available to students online as soon as registration has occurred. Mailed invoices are sent to the student's postal address on record with the University. The University does not offer discounts if the student pays some or all of an invoiced amount prior to the due date. The University does not offer settlement at a lower amount for any balances remaining after semester end dates have passed. Payment early in the applicable semester or service period is reflected as unearned revenue, while payment late in the applicable semester or service period is reflected as contract assets, which may include student accounts receivable. Payment for dental clinic and auxiliary services is due at the time of delivery of the good or service.

Payments for tuition and room and board are due by the Friday before the first day of the semester. The amount of consideration to which the University will be entitled is variable as long as a student can withdraw from the semester and receive a refund. The University excludes estimated refunds from the transaction price. The University also maintains appropriate accounts to reflect the effects of expected refunds on the University's financial position and periodically adjusts those accounts to reflect its actual refund experience. The University estimates refunds using historical and projected refund and enrollment trends. When a consideration contingency is resolved such that a refund will not be made, an invoice is typically sent to the student within three business days. None of the University's exchange revenue has a significant financing component.

The nature, amount, timing, and uncertainty of the University's tuition and room and board revenue and related cash flows vary depending on the following factors:

- Location of classes taken (e.g., McNichols, Riverfront, or Corktown campuses)
- Student's enrollment status (e.g., freshman, senior, part-time, full-time)
- Classes attended (e.g., undergraduate, graduate, program-specific)
- Semester attended (i.e., fall, winter, summer)
- Scholarship awards
- Payer (e.g., student, parents, third parties)

Note 2 - Significant Accounting Policies (Continued)

Payments for dental clinic revenue are due at the time the service is performed. The nature, amount, timing, and uncertainty of the University's dental clinic revenue and related cash flows vary depending on the patient's insurance status.

To determine the transaction price of a contract, the University considers its customary business practices as well as the terms of the contract. For the purpose of determining transaction prices, the University assumes that the services will be transferred to the student or patient as promised in accordance with existing contracts and that the contracts will not be canceled, renewed, or modified.

At the end of each fiscal year, the University updates the estimated transaction prices of contracts having unsatisfied performance obligations. At those times, revenue and related account balances are adjusted to reflect any changes in transaction prices.

Services that the University transfers to students and patients are performed by the University. In no case does the University act as an agent (i.e., the University does not provide a service of arranging for another party to transfer services to students).

During the year ended June 30, 2025, the University recognized gross revenue from tuition and fees and revenue from room and board of $185,909 and $6,198, respectively. The related scholarship allowances for these revenue streams during the year ended June 30, 2025 are $61,612 and $995, respectively. During the year ended June 30, 2024, the University recognized gross revenue from tuition and fees and revenue from room and board of $178,875 and $5,905, respectively. The related scholarship allowances for these revenue streams during the year ended June 30, 2024 are $56,050 and $986, respectively.

During the year ended June 30, 2025, the University recognized gross revenue from dental clinic and auxiliary services of $8,050 and $7,890, respectively. During the year ended June 30, 2024, the University recognized gross revenue from dental clinic and auxiliary services of $7,466 and $4,577, respectively.

For the years ended June 30, 2025 and 2024, the closing balance of the University's student accounts receivable was $4,943 and $5,941, respectively, and the beginning balance was $5,941 and $7,653, respectively.

For the years ended June 30, 2025 and 2024, the closing balance of the University's dental clinic and auxiliary receivables was $2,851 and $1,162, respectively, and the beginning balance was $1,162 and $1,055, respectively.

For years ended June 30, 2025 and 2024, revenue yet to be recognized relates to fully or partially unsatisfied performance obligations. The closing balance of the University's unearned revenue for 2025 and 2024 was $9,154 and $9,402, respectively, and the beginning balance was $9,402 and $10,007, respectively.

Scholarship Allowances and Student Financial Aid

Student tuition and fee revenue and certain other revenue from students are reported net of scholarship discounts and allowances in the statement of activities and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students or third parties making payments on the students' behalf. Certain governmental grants, such as Supplemental Educational Opportunity grants and other federal, state, or nongovernmental programs, are recorded as operating revenue in the University's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Note 2 - Significant Accounting Policies (Continued)

During 2025 and 2024, the University received and disbursed approximately $7.6 million and $5.5 million, respectively, to students under the U.S. Department of Education's Pell Grant program. In addition, the University received and disbursed approximately $85.9 million and $87.4 million under the U.S. Department of Education's Direct Loan program for the years ended June 30, 2025 and 2024, respectively. This activity is not reported in the accompanying financial statements.

Functional Allocation of Expenditures

The statement of activities and changes in net assets presents expenses by natural classification. The University reports functional categories of expenses that attribute by program and supporting services in Note 17. The University's primary program service is institutional instruction. Expenses reported as student services, academic support, and auxiliary enterprises are incurred in support of the University's primary program activity. Expenses that attribute to more than one functional expense category are allocated using the cost allocation based on square footage.

Advertising Expense

Advertising expense is charged to income during the years in which it is incurred. Advertising expense for 2025 and 2024 was $2,176 and $1,595, respectively.

Nonoperating Activities

Nonoperating changes in net assets without donor restrictions reflect transactions that are peripheral to the University's primary operating activities, providing a postsecondary education.

Income Tax Status

The University operates as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

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

Risks and Uncertainties

The University invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, 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 that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Labor Risks

Approximately 35 percent of the University's workforce is covered under five different collective bargaining agreements, which expire at various dates through December 31, 2027.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 30, 2025, which is the date the financial statements were available to be issued.

Note 2 - Significant Accounting Policies (Continued)

Reclassification

Certain 2024 amounts have been reclassified to conform to the 2025 presentation. Right-of-use operating lease assets were previously presented within prepaids, deposits, and other assets on the balance sheet and operating lease liabilities were previously presented within other accrued expenses on the balance sheet in the financial statements for the year ended June 30, 2024 and have since been separately presented on the balance sheet.

Note 3 - Contributions Receivable

The following table summarizes the University's unconditional contributions receivable at June 30:

	2025	2024
Due within one year	$ 1,806	$ 3,143
Due after one year but within five years	939	977
Total	2,745	4,120
Less allowance for uncollectible contributions	(789)	(842)
Less discount for present value	(56)	(56)
Net contributions receivable	$ 1,900	$ 3,222

Note 4 - Notes Receivable

At June 30, notes receivable and the related allowance for credit losses consisted of the following:

	2025	2024
Perkins	$ 3,912	$ 4,417
Other federal loan programs	8,556	8,579
Institutional loans	66	70
Notes receivable - Gross	12,534	13,066
Less allowance for credit losses:		
Balance - Beginning of year	(3,144)	(3,938)
Deductions/write-offs	193	794
Balance - End of the year	(2,951)	(3,144)
Notes receivable - Net	$ 9,583	$ 9,922

In addition to Perkins, the University participates in the Health Professionals Student, Nursing Student, Nurse Faculty, and ARRA-Nurse Faculty federal revolving loan programs. The availability of funds for loans under these programs is primarily dependent on reimbursements to the pool from repayments on outstanding loans. Loans disbursed under the federal programs are able to be assigned to the federal government in certain nonrepayment situations. In these situations, the federal portion of the loan balance is guaranteed. At June 30, 2025 and 2024, the following amounts represent the aging of outstanding notes receivable under the student loan programs:

	Current	1-180 Days	181 Days to 2 Years	Over 2 Years	Total
June 30, 2025	$ 10,025	$ 1,366	$ 512	$ 631	$ 12,534
June 30, 2024	10,539	1,380	643	504	13,066

Note 4 - Notes Receivable (Continued)

The University collectively evaluates receivables to determine the allowance for credit losses for its portion of the student loan based on an evaluation of the current age of receivables, historical experience, and economic environmental factors. The University calculates the allowance using an expected loss model that considers the University's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts.

The Federal Perkins Loan Program expired on September 30, 2017. As of June 30, 2025, the University has made approximately $1,278 in institutional capital contributions, which are reflected as part of the University's net assets. Under current guidance issued by the Department of Education, if the University liquidates the loan portfolio and assigns the student loans to the Department of Education, the University would forego its institutional capital contribution not yet received back through loan collections. There is currently no requirement for the University to liquidate the loan portfolio, and the University is not currently expecting to liquidate the loan portfolio. If the Department of Education were to require liquidation or the University voluntarily elects to liquidate the loan portfolio and assign the student loans to the Department of Education, loss of the institutional capital contributions is not expected to have a material impact on the financial position of the University.

Note 5 - Net Assets

Net assets without donor-restrictions consist of the following as of June 30:

	2025	2024
Without donor restrictions:		
Unrestricted for current operations	$ 4,232	$ 10,874
Board-designated - Quasi endowment	20,440	14,321
Investment in plant - Net of long-term debt	92,188	90,101
Total	$ 116,860	$ 115,296

Details of donor-restricted net assets as of June 30 are as follows:

	2025	2024
With donor restrictions:		
Academic programs	$ 1,592	$ 2,341
Scholarships	33,164	26,161
Building and equipment	8,300	9,796
Other	6,516	6,426
Endowment	71,156	66,560
Total donor restricted net assets	$ 120,728	$ 111,284

Note 6 - Donor-restricted and Board-designated Endowments

The University's 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.

Note 6 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The State of Michigan enacted the Uniform Prudent Management of Institutional Fund Act (UPMIFA) in September 2009. The University has interpreted UPMIFA as requiring the preservation of donor-restricted endowment funds at the original value at the date of the gift absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies net assets with donor restrictions as (a) the original value of gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA.

The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment in perpetuity	$ -	$ 71,156	$ 71,156
Donor-restricted endowment accumulated earnings for specified purpose	-	37,202	37,202
Board-designated endowment funds	20,440	-	20,440
Total	$ 20,440	$ 108,358	$ 128,798

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 14,321	$ 94,249	$ 108,570
Investment income	225	1,214	1,439
Net appreciation in market value	1,773	10,783	12,556
Appropriation of endowment assets for expenditure	(452)	(2,483)	(2,935)
Transfers	3,772	-	3,772
Gifts	801	4,595	5,396
Endowment net assets - End of year	$ 20,440	$ 108,358	$ 128,798

Note 6 - Donor-restricted and Board-designated Endowments (Continued)

	Endowment Net Asset Composition by Type of Fund as of June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment in perpetuity	$ -	$ 66,560	$ 66,560
Donor-restricted endowment accumulated earnings for specified purpose	-	27,689	27,689
Board-designated endowment funds	14,321	-	14,321
Total	$ 14,321	$ 94,249	$ 108,570

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 12,689	$ 82,676	$ 95,365
Investment income	218	1,975	2,193
Net appreciation in market value	1,468	9,687	11,155
Appropriation of endowment assets for expenditure	(432)	(2,257)	(2,689)
Transfers	210	-	210
Gifts	168	2,168	2,336
Endowment net assets - End of year	$ 14,321	$ 94,249	$ 108,570

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. There were no funds with deficiencies at June 30, 2025 and 2024.

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the market index while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide an average rate of return of approximately 8.00 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 6 - Donor-restricted and Board-designated Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University has a policy of appropriating for distribution each year a certain percent of its endowment fund's average fair value over the prior three years through the fiscal year end preceding the fiscal year in which the distribution is planned. The rate was 4.00 percent for the fiscal years ended June 30, 2025 and 2024. In establishing this policy, the University considered the long-term expected rate of return on its endowment and is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Level 1

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the University has the ability to access.

Level 2

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The University holds shares or interests in investments at year end where the fair value of the investment is presented using net asset value (NAV) per share as a practical expedient for the fair value of the investment. Investments that are measured at NAV per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

At June 30, 2025 and 2024, there were no unfunded commitments related to the pooled investment funds valued at NAV and the investment had a redemption frequency of 15 days.

Note 7 - Fair Value Measurements (Continued)

The following tables present information about the University's assets measured at fair value on a recurring basis at June 30, 2025 and 2024 and the valuation techniques used by the University to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025		
	Level 1	Level 2	Total
Assets - Investments at fair value			
Pooled investment funds:			
Equity	$ 66,844	$ -	$ 66,844
Fixed income	10,886	-	10,886
Total pooled investment funds	77,730	-	77,730
Other investments:			
Mutual funds	574	-	574
Equity and other	-	115	115
Total other investments	574	115	689
Total	$ 78,304	$ 115	78,419
Investments measured at NAV:			
Pooled investment funds - Equity (i)			15,813
Pooled investment funds - Other (ii)			29,536
Total investments measured at NAV			45,349
Total investments at fair value			$ 123,768

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024		
	Level 1	Level 2	Total
Assets - Investments at fair value			
Pooled investment funds:			
Equity	$ 47,804	$ -	$ 47,804
Fixed income	14,953	-	14,953
Total pooled investment funds	62,757	-	62,757
Other investments:			
Mutual funds	551	-	551
Equity and other	-	156	156
Total other investments	551	156	707
Total	$ 63,308	$ 156	63,464
Investments measured at NAV:			
Pooled investment funds - Equity (i)			24,620
Pooled investment funds - Other (ii)			12,378
Total investments measured at NAV			36,998
Total investments at fair value			$ 100,462

Note 7 - Fair Value Measurements (Continued)

(i) The University invests in pooled investment funds invested in equity securities. The funds seek to maximize return potential by investing in what it considers to be attractive equity securities, primarily in the international markets. These funds are valued at net asset value, which is calculated using the most recent fund financial statements.

(ii) The University invests in a pooled investment fund invested in real asset securities. The Fund seeks to offer diversification by investing approximately 25 percent of the Fund's assets in commodities, 25 percent in global natural resource stocks, 20 percent in global infrastructure stocks, 10 percent in U.S. REITs, and 20 percent in U.S. Intermediate TIPS. The fund is valued at net asset value, which is calculated using the most recent fund financial statements.

Note 8 - Property and Equipment

Properties at June 30 consist of the following:

	2025	2024
Land	$ 8,050	$ 8,041
Buildings and improvements	227,756	214,846
Furniture and equipment	55,612	51,992
Library books	39,842	39,333
Construction in progress	4,803	9,634
Total	336,063	323,846
Less accumulated depreciation	189,975	179,557
Net investment in equipment	$ 146,088	$ 144,289

Note 9 - Long-term Debt

Long-term debt at June 30 is as follows:

	2025	2024
Michigan Finance Authority Higher Education Facilities Limited Obligation Revenue Refunding Bonds, Series 2023, bearing interest at 5 percent per annum, interest due biannually and principal due annually through 2052	$ 53,890	$ 54,798
Michigan Finance Authority Education Facilities Limited Obligation Revenue Bonds, Series 2025, bearing interest at 3.87 percent per annum, with interest due biannually and principal due annually beginning in 2030 through 2050	35,000	-
Subtotal	88,890	54,798
Less unamortized bond issuance costs	726	610
Total	$ 88,164	$ 54,188

Note 9 - Long-term Debt (Continued)

Future principal maturities of the bonds are as follows:

Years Ending	Amount
2026	$ 885
2027	930
2028	975
2029	1,025
2030	1,075
2031 and after	83,274
Total	$ 88,164

Interest expense for 2025 and 2024 was $3,407 and $2,854, respectively.

The University has agreed to certain covenants, including maintenance of operations, debt service ratios, and liquidity ratios.

On September 28, 2023, the University completed a debt refinancing. The Michigan Finance Authority Limited Obligation Revenue Refunding Bonds, Series 2023, were issued in the amount of $55 million. The proceeds were used to pay existing debt, including prior bonds and interest. From the proceeds, the University established a debt service reserve fund in the amount of $3.7 million, which is recorded within restricted cash on the balance sheet at June 30, 2025 and 2024.

As a result of the debt refinancing, interest rate swaps previously held by the University were terminated. The University recognized a gain from the terminations of the interest rate swap agreements, net of settlement payment of approximately $2,446, in the amount of $708.

On January 23, 2025, the University issued Michigan Finance Authority Limited Obligation Revenue Bonds, Series 2025, in the amount of $35 million. The proceeds are to be used to pay the costs of acquiring, constructing, renovating, furnishing, and equipping capital improvements. Unspent bond proceeds of approximately $34.6 million at June 30, 2025 are recorded within restricted cash on the balance sheet.

Note 10 - Leases

The following is a summary of future minimum lease payments as of June 30, 2025:

Years Ending June 30	Amount
2026	$ 461
2027	608
2028	584
2029	547
2030	554
Thereafter	4,264
Total	7,018
Less amount representing interest	1,937
Present value of net minimum lease payments	$ 5,081

Note 10 - Leases (Continued)

Expenses recognized under these leases for the year ended June 30, 2025 consist of the following:

Lease cost:		
Operating lease cost	$	383
Cash paid for amounts included in the measurement of lease liabilities - Operating cash flows from operating leases		287
Weighted-average remaining lease term (years) - Operating leases		13.2
Weighted-average discount rate - Operating leases		4.8 %

Expenses recognized under these leases for the year ended June 30, 2024 were insignificant.

Note 11 - Retirement Plans

Substantially all university employees participate in either a defined contribution pension plan sponsored by the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) or a noncontributory defined benefit pension plan, The Sisters of Mercy - Province of Detroit Retirement Plan.

The University and participants in the defined contribution retirement plan make annual contributions to TIAA-CREF to purchase individual annuities or to invest in tax-deferred savings plans. The University's contribution to the defined contribution plan totaled approximately $5,486 in 2025 and $5,246 in 2024.

Benefits under The Sisters of Mercy - Province of Detroit Retirement Plan are based on years of service and employees' compensation during the last 10 years of employment. Contributions are made in amounts necessary to fund the plan's benefits as computed by an independent actuary. The University amended its defined benefit pension plan effective July 1, 2002. As a result, no pension benefits have been earned by participants after June 2002.

In addition to providing pension benefits, the University pays a portion of the premiums for health care benefits provided to certain retired employees who reach retirement age while working for the University. Health care benefits for retirees and survivors are provided through insurance agreements, the premiums of which are based in part on the benefits paid. The University's costs are capped at certain amounts per month per person dependent on the age of the eligible participants, as defined in the plan agreement. The Plan was unfunded at June 30, 2025 and 2024.

Changes in projected benefit obligation and plan assets during the year, the funded status of the plan, and the reconciliation to the amount recognized on the balance sheet were a follows as of June 30 (using an actuarial measurement date of June 30):

Obligations and Funded Status

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Projected benefit obligation	$ (4,057)	$ (4,146)	$ (3,212)	$ (3,374)
Fair value of plan assets	4,239	4,260	-	-
Funded status at end of year	$ 182	$ 114	$ (3,212)	$ (3,374)

Note 11 - Retirement Plans (Continued)

Amounts recognized in the balance sheet consist of the following:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Other accrued expenses	$ (182)	$ (114)	$ -	$ -
Accrued postretirement benefits	-	-	3,212	3,374
Total	$ (182)	$ (114)	$ 3,212	$ 3,374

Accumulated net periodic benefit cost recognized as net assets without restrictions is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Net loss (gain)	$ 1,904	$ 2,006	$ (1,608)	$ (1,763)
Prior service (credit) cost	(32)	(33)	-	-
Total	$ 1,872	$ 1,973	$ (1,608)	$ (1,763)

Net periodic benefit cost, which is included in functional expenses, contributions, and benefits paid, is as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Net periodic benefit cost	$ 64	$ 63	$ (92)	$ 18
Employer contributions	31	150	225	292
Benefits paid	353	332	225	292

As of June 30, the following items are included in nonoperating activities as a pension and postretirement adjustment and are not yet recognized as components of net periodic benefit cost:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Net (gain) loss	$ (28)	$ 57	$ (99)	$ (292)
Amortization of prior service credit (cost)	2	2	-	-
Amortization of net gain (loss)	(74)	(73)	254	166
Total recognized in nonoperating activities	(100)	(14)	155	(126)
Total recognized in functional expenses and nonoperating activities	$ 36	$ (49)	$ 63	$ (108)

The net loss and prior service credit for the defined benefit pension plan that was amortized into net periodic benefit cost during the year ended June 30, 2025 was approximately $74 and $2, respectively. No amortization of net loss and prior service credit into net periodic benefit cost is expected over the next fiscal year.

Note 11 - Retirement Plans (Continued)

There was no prior service cost for the other postretirement plan that was amortized into net periodic benefit cost during the years ended June 30, 2025 and 2024. Net gain amortized into net periodic benefit costs for the years ended June 30, 2025 and 2024 was approximately $254 and $166, respectively. No amortization of net loss and prior service credit into net periodic benefit cost is expected over the next fiscal year.

Mortality assumptions for participants in the University's pension and postretirement plans were updated to use the most recently available tables published by the Society of Actuaries (SOA).

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30 are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Discount rate	5.70 %	5.95 %	5.27 %	5.25 %

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30 are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Discount rate	5.70 %	5.95 %	5.27 %	5.25 %
Expected long-term return on plan assets	5.75 %	5.95 %	- %	- %

The overall expected rate of return on plan assets represents a weighted-average composite rate based on the historical rates of returns of the respective asset classes.

Pension Plan Assets

The goals of the pension plan investment program are to fully fund the obligation to pay retirement benefits in accordance with the plan documents and to provide returns that, along with appropriate funding from the University, maintain an asset/liability ratio that is in compliance with all applicable laws and regulations and assures timely payment of retirement benefits.

The investment program employs a total return investment approach where a mix of equities and fixed-income investments is used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition.

The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value, and small and large capitalizations. Other investments such as hedge funds, interest rate swaps, and private equity are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments.

The target allocation of plan assets at the June 30, 2025 and 2024 measurement dates, by asset category, as a percentage, was as follows: 18 percent global and traditional equity securities, 78 percent fixed-income obligations, 2 percent hedge funds, 2 percent other types of investments.

Note 11 - Retirement Plans (Continued)

The following tables summarize the pension plan assets measured at fair value as of June 30, 2025 and 2024:

Pension Plan Assets Measured at Fair Value at June 30, 2025

	Level 1	Level 2	Balance
Assets - Investments			
Short-term investment funds	$ 108	$ -	$ 108
Common stock - Domestic	110	-	110
Debt securities:			
U.S. government/federal agency	-	780	780
Corporate bonds	-	2,018	2,018
Mutual funds - Equities	31	-	31
Other	24	-	24
Subtotal	273	2,798	3,071
Investment measured at net asset value (i)	-	-	1,168
Total	$ 273	$ 2,798	$ 4,239

Pension Plan Assets Measured at Fair Value at June 30, 2024

	Level 1	Level 2	Total
Assets - Investments			
Short-term investment funds	$ 78	$ 10	$ 88
Common stock - Domestic	115	-	115
Debt securities:			
U.S. government federal agency	-	590	590
Corporate bonds	-	2,044	2,044
Mutual funds - Equities	39	-	39
Other	35	-	35
Subtotal	267	2,644	2,911
Investments measured at net asset value (i)	-	-	1,349
Total	$ 267	$ 2,644	$ 4,260

(i) The pension plan invests in various hedge fund strategies and private equity funds. The hedge funds utilize a fund-of-funds approach, resulting in diversified multistrategy, multimanager investments. Underlying investments in these funds may include equities, fixed-income securities, commodities, currencies, and derivatives. The private equity funds invest primarily in Europe, both directly and on the secondary market. These funds are valued at net asset value, which is calculated using the most recent partnership financial statements.

Investments in Entities that Calculate Net Asset Value per Share

The pension plan holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

The tables on the previous page present information about the pension plan assets measured at fair value at June 30, 2025 and 2024 and the valuation techniques used by the University to determine those fair values. See Note 7 for definitions of Levels 1, 2, and 3 of the fair value hierarchy.

Note 11 - Retirement Plans (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each plan asset.

The University's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2025 and 2024.

Contributions

The University expects to contribute approximately $405 to its pension plan and $238 to its postretirement benefit plan during the year ending June 30, 2026.

The expected benefits to be paid in the next fiscal years are as follows:

Years Ending	Pension Benefits	Other Postretirement Benefits
2026	$ 405	$ 238
2027	353	227
2028	343	236
2029	344	238
2030	342	249
2031-2035	1,568	1,225
Total	$ 3,355	$ 2,413

Note 12 - Insurance Commitments

The University funds a reserve for dental malpractice claims. At June 30, 2025 and 2024, the University owned a bank account administered by a third party with balances of $574 and $551, respectively, which is included as cash and cash equivalents and investments. Claims and related costs are paid from the University-owned bank trust account. Estimated claims at June 30, 2025 and 2024 were insignificant. In addition to the reserve, effective January 1, 2009, the University purchased professional liability insurance for dental malpractice risk. The additional insurance has a $100 deductible per occurrence and a $5,000 limit per occurrence. The aggregate coverage limit is $7,000.

The University is a member of the Michigan Independent Colleges and Universities (MICU) Workers' Compensation Self-Insurers Fund. The University records workers' compensation expense at the time its contribution is due in accordance with the MICU Workers' Compensation Trust agreement. Dividends are recorded as income in the year received. Additional provision for workers' compensation expense may be required if claims pending settlement by the fund exceed available fund equity. At June 30, 2025 and 2024, no such additional provision was required.

Note 13 - Contingencies

Commitments for the purchase of property and equipment at June 30, 2025 totaled approximately $11,900.

The University is a defendant in certain lawsuits. For those claims where the likelihood of loss is probable and measurable, a provision has been made in the accompanying financial statements related to such claims. Management believes that the resolution of these claims will not have a material impact on the financial statements.

Note 14 - Financial Assets and Liquidity Resources

The following table reflects the University's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year. Financial assets are unavailable when illiquid or not convertible to cash within one year. Other considerations of non-liquid assets are perpetual endowments and accumulated earnings net of appropriations within one year, amounts restricted by donors for nonoperating activities, amounts limited by the University's Board of Trustees, and student loans receivable. The University considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for current operating activities to be available to meet cash needs for general expenditures. The University considers all expenditures related to its operating activities that are incurred in the course of the normal business operations of the University to be general expenditures.

	2025	2024
Cash and cash equivalents	$ 68,689	$ 41,008
Endowment cash and cash equivalents	1,080	7,367
Account receivable - Net	9,344	10,919
Contributions receivable - Net	1,900	3,222
Notes receivable - Net	9,583	9,922
Investments	123,768	100,462
Financial assets at June 30	214,364	172,900
Contribution receivable - Net beyond one year	(939)	(977)
Notes receivable - Net beyond one year	(9,583)	(9,922)
Other assets with donor or board restrictions	(20,440)	(14,321)
Endowment assets - Net of appropriation for next fiscal year of $3.8 million	(104,558)	(90,649)
Restricted cash not available for general expenditure	(38,351)	(3,729)
Financial assets unavailable for general expenditure within one year	(173,871)	(119,598)
Financial assets available to meet the cash needs for general expenditure within one year	$ 40,493	$ 53,302

The University's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. In addition to financial assets available to meet general expenditures over the next year, the University's goal is to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows, which identifies the sources and uses of the University's cash generated by operating activities for the years ending June 30, 2025 and 2024, respectively.

Cash in excess of daily requirements is typically invested in short-term, liquid securities. The University maintains sufficient liquidity within the endowment to cover board-designated amounts, funding commitments, and appropriations for spending distributions. The University's endowment funds consist of donor-restricted endowments and a quasi-endowment of $20,472 and $15,083 at June 30, 2025 and 2024, respectively. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 6, the quasi-endowment has a spending rate of 4 percent. A total of $2,500 and $2,258 of appropriations from the quasi-endowment will be available within the next 12 months for fiscal years June 30, 2025 and 2024, respectively. Although the University does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

Note 15 - Accounts Receivable

The activity in the allowance for credit losses is as follows:

	2025	2024
Balance - Beginning of year	$ 1,802	$ 2,100
Additions charged to expense	1,046	554
Deductions/Write-offs	(919)	(431)
Recoveries	(435)	(421)
Balance - End of year	$ 1,494	$ 1,802

Note 16 - Related Party Transactions

The following is a description of transactions between the University and related parties:

Contributions Receivable

As of June 30, 2025 and 2024, pledges, receivable from related parties, including board members of the University, totaled $30,000 and $248,671, respectively.

Contributions Revenue

During the years ended June 30, 2025 and 2024, contributions received from related parties, including board members of the University, totaled $402,202 and $388,894, respectively.

Note 17 - Functional Expenses

Expenses by functional allocation for the year ended June 30, 2025 consist of the following:

	Program Activities		Supporting Activities			
	Academic Instruction and Support	Student Services and Auxiliaries	Administrative Support	Fundraising	Facilities Operations and Maintenance	Total Expense
Salaries, wages, and benefits	$ 86,797	$ 14,482	$ 8,274	$ 3,508	$ 3,858	$ 116,919
Professional fees and contracted services	9,273	5,825	4,675	722	3,571	24,066
Depreciation	6,045	4,038	212	214	190	10,699
Occupancy, utilities, and maintenance	783	347	108	166	4,128	5,532
Meetings, travel, and memberships	1,975	1,657	499	128	-	4,259
Materials, supplies, printing, and postage	5,241	3,636	345	289	116	9,627
Interest	2,229	570	296	83	229	3,407
Other expenses	3,671	941	487	136	377	5,612
Subtotal	116,014	31,496	14,896	5,246	12,469	180,121
Facilities operation and maintenance	6,857	4,613	750	249	(12,469)	-
Total expenses	$ 122,871	$ 36,109	$ 15,646	$ 5,495	$ -	$ 180,121

Expenses by functional allocation for the year ended June 30, 2024 consist of the following:

	Program Activities		Supporting Activities			
	Academic Instruction and Support	Student Services and Auxiliaries	Administrative Support	Fundraising	Facilities Operations and Maintenance	Total Expense
Salaries, wages, and benefits	$ 81,034	$ 14,239	$ 6,983	$ 3,273	$ 3,573	$ 109,102
Professional fees and contracted services	9,504	5,413	4,177	691	3,244	23,029
Depreciation	5,750	3,840	201	204	181	10,176
Occupancy, utilities, and maintenance	784	268	116	68	5,515	6,751
Meetings, travel, and memberships	1,829	1,746	506	126	-	4,207
Materials, supplies, printing, and postage	5,181	2,230	523	248	95	8,277
Interest	1,867	478	248	69	192	2,854
Other expenses	2,812	720	373	104	289	4,298
Subtotal	108,761	28,934	13,127	4,783	13,089	168,694
Facilities operation and maintenance	7,199	4,843	785	262	(13,089)	-
Total expenses	$ 115,960	$ 33,777	$ 13,912	$ 5,045	$ -	$ 168,694