



Stevenson University

Consolidated Financial Statements Years Ended June 30, 2024 and 2023

Stevenson University

Consolidated Financial Statements Years Ended June 30, 2024 and 2023

Stevenson University

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Independent Auditor's Report

The Board of Trustees
Stevenson University
Owings Mills, Maryland

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Stevenson University and its subsidiaries (the "University"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2024 and 2023, and the changes in their net assets and their 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 in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

BDO USA, P.C.

December 3, 2024

Consolidated Financial Statements

Stevenson University

Consolidated Balance Sheets

<i>June 30,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 4,348,885	\$ 4,316,735
Accounts receivable, net	6,239,364	7,251,133
Prepaid expenses and other assets	2,552,555	6,968,482
Deposits with bond trustee	17,241,782	8,340,867
Investments	104,654,868	106,252,390
Land, buildings, and equipment, net	213,046,913	210,087,395
Total assets	\$ 348,084,367	\$ 343,217,002
Liabilities		
Accounts payable	\$ 2,807,909	\$ 4,013,297
Accrued expenses and other liabilities	3,506,904	5,114,417
Deferred revenue	3,199,879	3,231,637
Other liabilities - SWAP	341,011	-
Bonds and loans payable, net	157,546,377	150,615,576
Total liabilities	167,402,080	162,974,927
Net Assets		
Without donor restrictions	141,672,314	137,768,443
With donor restrictions	39,009,973	42,473,632
Total net assets	180,682,287	180,242,075
Total liabilities and net assets	\$ 348,084,367	\$ 343,217,002

See accompanying notes to consolidated financial statements.

Stevenson University

Consolidated Statement of Activities

Year Ended June 30,	2024		Total	2023
	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains, and other support:				
Tuition and fees, net	\$ 47,847,651	\$ -	\$ 47,847,651	\$ 46,733,783
Auxiliary enterprises	26,145,233	-	26,145,233	23,583,402
State of Maryland grants	9,761,652	-	9,761,652	12,426,901
Contributions	914,250	3,239,683	4,153,933	6,681,630
Endowment withdrawals for operations	3,606,998	815,397	4,422,395	4,342,642
Other sources	1,767,145	-	1,767,145	1,104,634
Net assets released from restrictions	8,815,423	(8,815,423)	-	-
Total revenues, gains, and other support	98,858,352	(4,760,343)	94,098,009	94,872,992
Expenses:				
Instruction	34,752,379	-	34,752,379	32,309,254
Library	1,164,380	-	1,164,380	1,105,109
Student services	23,161,800	-	23,161,800	22,478,301
General administration	4,319,459	-	4,319,459	4,291,265
General institutional	17,348,141	-	17,348,141	16,254,736
Auxiliary enterprises	16,418,810	-	16,418,810	14,889,937
Total expenses	97,164,969	-	97,164,969	91,328,602
Revenues, gains, and other support in excess of expenses	1,693,383	(4,760,343)	(3,066,960)	3,544,390
Change in fair value of swap agreements	(341,011)	-	(341,011)	-
Investment income and gains, net of endowment withdrawals for operations	2,551,499	1,296,684	3,848,183	5,985,509
Change in net assets	3,903,871	(3,463,659)	440,212	9,529,899
Net assets at beginning of year	137,768,443	42,473,632	180,242,075	170,712,176
Net assets at end of year	\$ 141,672,314	\$ 39,009,973	\$ 180,682,287	\$ 180,242,075

See accompanying notes to consolidated financial statements.

Stevenson University

Consolidated Statement of Activities

<i>Year Ended June 30,</i>	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues, gains, and other support:			
Tuition and fees, net	\$ 46,733,783	\$ -	\$ 46,733,783
Auxiliary enterprises	23,583,402	-	23,583,402
State of Maryland grants	9,526,901	2,900,000	12,426,901
Contributions	1,971,784	4,709,846	6,681,630
Endowment withdrawals for operations	3,351,030	991,612	4,342,642
Other sources	1,104,634	-	1,104,634
Net assets released from restrictions	3,763,428	(3,763,428)	-
Total revenues, gains, and other support	90,034,962	4,838,030	94,872,992
Expenses:			
Instruction	32,309,254	-	32,309,254
Library	1,105,109	-	1,105,109
Student services	22,478,301	-	22,478,301
General administration	4,291,265	-	4,291,265
General institutional	16,254,736	-	16,254,736
Auxiliary enterprises	14,889,937	-	14,889,937
Total expenses	91,328,602	-	91,328,602
Revenues, gains, and other support in excess of expenses	(1,293,640)	4,838,030	3,544,390
Investment income and gains, net of endowment withdrawals for operations	4,382,948	1,602,561	5,985,509
Change in net assets	3,089,308	6,440,591	9,529,899
Net assets at beginning of year	134,679,135	36,033,041	170,712,176
Net assets at end of year	\$ 137,768,443	\$ 42,473,632	\$ 180,242,075

See accompanying notes to consolidated financial statements.

Stevenson University

Consolidated Statements of Cash Flows

Years Ended June 30,	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 440,212	\$ 9,529,899
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,079,347	6,679,850
Amortization and write off of bond issuance costs	62,227	59,114
Amortization of bond premium	(472,618)	(472,618)
Contributions and grants restricted for long-term investment	(1,806,663)	(6,151,429)
Net realized and unrealized gains on investments	(6,103,391)	(7,832,967)
Change in fair value of interest rate swap agreements	341,011	-
Changes in assets and liabilities:		
Accounts receivable	1,011,769	(1,950,009)
Prepaid expenses and other assets	4,415,927	(1,830,566)
Accounts payable	(1,566,665)	(304,765)
Accrued expenses and other liabilities	(1,607,513)	(2,715,625)
Deferred revenue	(31,758)	196,869
Net cash provided by (used in) operating activities	2,761,885	(4,792,247)
Cash Flows from Investing Activities:		
Acquisition and development of property and purchases of equipment	(10,677,588)	(30,811,894)
Purchases of investments	(21,643,606)	(14,891,677)
Proceeds from sales and maturities of investments	29,344,519	20,569,371
Change in deposits with bond trustee	(8,900,915)	10,065,043
Net cash used in investing activities	(11,877,590)	(15,069,157)
Cash Flows from Financing Activities:		
Proceeds from bond issuance and loans payable	10,163,015	-
Principal payments on bonds and loans payable	(2,261,567)	(2,201,000)
Bond issuance costs	(560,256)	-
Contributions and grants restricted for long-term investment	1,806,663	6,151,429
Net cash provided by financing activities	9,147,855	3,950,429
Net Increase (Decrease) in Cash and Cash Equivalents	32,150	(15,910,975)
Cash and Cash Equivalents, at beginning of year	4,316,735	20,227,710
Cash and Cash Equivalents, at end of year	\$ 4,348,885	\$ 4,316,735
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 5,438,738	\$ 5,486,538
Noncash investing activities:		
Acquisition and development of property and purchases liabilities of equipment included in accrued liabilities	\$ 361,277	\$ 2,526,562

See accompanying notes to consolidated financial statements.

Stevenson University

Notes to Consolidated Financial Statements

1. Business and Summary of Significant Accounting Policies

General

Stevenson University (the “University”) is an independent coeducational four-year university, which offers masters and bachelor’s degrees, as well as certificates to approximately 3,100 full-time equivalent students in a variety of academic programs. All majors combine a strong arts and sciences foundation with career preparation and personal enrichment. The majority of the students are from the mid-Atlantic region.

Basis of Presentation

The accompanying consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and are prepared on the accrual basis of accounting. Generally, revenues are recognized when earned and expenses are recognized when incurred.

The consolidated financial statements of the University include the accounts of the University and its wholly owned subsidiaries, Owings Mills East, LLC and Boulevard Realty No. 2. These subsidiaries hold ownership of real estate properties. Any accounts and transactions between consolidated entities are eliminated in consolidation.

Net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees (the “Board”) or may otherwise be limited by outside parties.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed stipulations are perpetual in nature, where the donor stipulates that resources be maintained permanently.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions, even if restriction is met in the same year. Temporary restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired and placed in service.

Assets and liabilities are presented in order of liquidity in the consolidated balance sheets except that short-term investments are available for operations.

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Notes to Consolidated Financial Statements

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and judgments include valuation allowances for receivables and the fair value of investments.

Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments and are carried at fair value. Short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents, except any short-term investments purchased by external endowment investment managers are classified with the applicable assets and are, therefore, excluded from cash equivalents on the consolidated balance sheets and statements of cash flows.

Accounts Receivable, Net

Contributions Receivable

Contributions received, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Unconditional promises to give are recognized initially at fair value giving consideration to anticipated future cash receipts and discounting such amounts at a risk-adjusted rate for the period of collection. Contributions of assets other than cash are recorded at estimated fair value at the date of the gift. Amortization of the discount is recorded as additional contribution revenue.

Where considered necessary, allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. Changes in the nature of any restrictions on contributions due to amendments to or clarifications of agreements with donors are recognized as reclassifications of net assets in the period in which the amendments or clarifications are approved.

Student Receivables

Student receivables, represent unpaid tuition, auxiliary services and fees assessed in the current and prior periods. A student may be eligible for a refund upon withdrawal based on the last date of attendance. The University maintains an allowance for credit losses to reflect management's best estimate of probable losses. Management determines the allowance based on historical experience and currently available evidence of future collections.

Deposits with Bond Trustee

Deposits with bond trustee consist of a portion of the proceeds from the Series 2024 and Series 2021 bond issuances and includes construction, debt service and cost of issuance funds. As of June 30, 2024 and 2023, the balances of the construction and debt service funds, was \$9,165,670 and \$8,076,112, and \$588,297 and \$7,752,570, respectively. The Series 2024 construction funds will partially finance the construction of a performing arts center (Note 7).

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Notes to Consolidated Financial Statements

Investments

Investments in U.S. government agency obligations, corporate bonds, and common stocks, with readily determinable fair values are recorded at fair value based upon quoted market prices. Limited partnerships and hedge funds (alternative investments) are estimated based on the fund's net asset value or its equivalent net asset value ("NAV") as a practical expedient, as reported by the fund managers or general partners. As of June 30, 2024 and 2023, the University had no plans or intentions to sell investments at amounts different from NAV. These estimated fair values, which are reviewed by the University, may differ from the values that would have been used had a ready market existed for these investments, and the differences could be significant. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities. Investment transactions are accounted for on a trade-date basis.

Investments are exposed to certain risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities could occur in the near term, and these changes could materially affect the amounts reported in the consolidated financial statements.

Investments of endowment funds are maintained in a pool under a trust agreement with a bank. The investment pool is unitized on a market value basis with individual funds subscribing to or disposing of units on the basis of the market value per unit. The income or loss from the investment pool is proportionately allocated to the purposes designated by the donors or the Board.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 5).

Assets and liabilities that are reported at fair value on a recurring basis are categorized into a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair values of the consolidated financial statements represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quotes prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Notes to Consolidated Financial Statements

Land, Buildings, and Equipment, Net

Land, buildings, and equipment are stated at cost, if purchased or at estimated fair value at the date of gift, if donated. Additions or improvements that extend the useful life of the assets are capitalized. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of 50 years for buildings, 20 years for land improvements, the shorter of the remaining useful life or 20 years for leasehold improvements, 7 years for furniture and fixtures, and 5 years for equipment using a half-year convention in the year of acquisition and disposition. Repairs and maintenance costs are expensed as incurred.

Interest cost incurred on borrowed funds less interest income earned on funds held with bond trustees during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Tuition and Fees and Auxiliary Enterprises Revenue Recognition

Accounting Standards Codification ("ASC") Topic 606

Under ASC Topic 606, *Revenue from Contracts With Customers*, revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services (i.e., the transaction price). The University's students are analogous with customers as defined by ASC 606. The University recognizes revenues from student tuition and fees and housing and meal plan revenues in the fiscal year in which the academic programs and residential services are delivered. Institutional scholarships awarded to students reduce the amount of tuition and fees revenue recognized. Housing and meal plan revenues are reported in auxiliary enterprises in the accompanying consolidated statements of activities. Tuition is refundable in full or in part according to a published schedule. Registration fees, housing and meal plans are generally not refundable. Payments for tuition, housing and meal plans received prior to the commencement of each academic term are deferred as student deposits and then recorded as revenue without donor restrictions when earned. Deferred tuition and auxiliary revenue of \$2,097,801 and \$2,230,658 is included in deferred revenue on the consolidated balance sheets as of June 30, 2024 and 2023, respectively.

The University's student service contracts do not have any material significant financing components or contract costs associated with them. Accordingly, no applicable practical expedients elections were made for such items.

Judgments

The University earns revenue primarily through instruction. The University's student population consists primarily of residents of the mid-Atlantic region and surrounding areas. As a result, the University's student enrollment and/or each student's ability to pay tuition and fees may be impacted by the economy and school competition (both private and public) in this geographic area.

The University recognizes this revenue per day based on the start and end dates for each individual course. In addition to instruction, the University also earns revenue through auxiliary enterprises and other sources. These sources of revenue can be disaggregated by whether there is a contract with a student or non-student, or if there is no contract. The University recognizes non-student contracts based on the date of the event or when the service is provided.

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The University recognizes revenue from contracts with students over the term or sub-term during which their courses are offered. Each course has a set beginning and ending date. Revenue is recognized over time based on the number of days that have elapsed for each course.

Certain contracts with students may include variable consideration in the form of tuition discounts, scholarships or institutional aid. For any such contracts, the transaction price only includes tuition and fees net of the awarded tuition discounts, scholarships or institutional aid. Historically, the University has not experienced material withdrawals, refunds, or uncollectible amounts, which would represent other variable consideration under ASC 606.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account under ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The University does not capitalize contract costs.

The performance obligations related to contracts with students involves providing instruction, housing and dining (if applicable), and access to the University's facilities and services throughout the contract term. As a result, the performance obligation is satisfied over time ratably throughout each contract's applicable period.

The University enters into contracts that include various combinations of services, which are generally capable of being distinct and are accounted for as separate performance obligations.

Revenue is recognized in an amount that reflects the consideration the University expects to receive in exchange for its services. Arrangements may include variable consideration in the form of tuition discounts, scholarships, or institutional aid. For any such arrangements, the transaction price only includes tuition and fees net of the awarded discounts or institutional aid. Refunds and withdrawals have been deemed immaterial.

Contract Payment Terms

Before the beginning of each term, students are presented with the total amount due. Students are required to have satisfactory financial arrangements in place or have paid the balance in full by the University's published due date. As part of the check-in process, arrangements are reviewed by the bursar's office to ensure that the student has completed all necessary financial steps. Satisfactory arrangements may include delaying all or a portion of the balance due by enrollment in a payment plan. The payment dates are detailed in the payment plan agreement, with the final payment no later than 30 days after the end of the specific term. The University does not consider the payment plan participation fees for this option a significant financing component.

Student Financial Aid

The University provides financial aid to eligible students, generally in a package that includes loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs of the U.S. government (including direct and guaranteed loan programs) under which the University is responsible only for certain administrative duties. Revenue from tuition and fees is reflected net of reductions from student aid and is recognized as the services are provided over the academic year, which generally aligns with our fiscal year. Aid in excess of a

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Notes to Consolidated Financial Statements

student's tuition and fees is reflected as a reduction of auxiliary enterprises revenue. Disbursements made directly to students for living or other costs are reported as an expense. Grants and scholarships include awards provided through gifts and grants from private donors or from income earned on endowment funds restricted for student aid, as well as general funds scholarship awards. Grant and scholarship awards were \$64,209,740 and \$59,577,536 during the years ended June 30, 2024 and 2023, respectively, and are netted against tuition and fees revenues in the consolidated statements of activities.

Government Grants

The University conducts sponsored program activity with various sponsors, including agencies and departments of the federal government, local government entities, and foundations. Such grants and contract revenue, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under agreements are met. The University records reimbursement of indirect costs relating to such grants at authorized rates for each fiscal year as revenue without donor restrictions. Total revenue from grants and contracts recognized in net assets without donor restrictions was \$9,761,652 and \$12,426,901 for the years ended June 30, 2024 and 2023, respectively. Payments received from sponsors in advance of conditions being met are reported as deferred revenue, which totaled \$1,087,079 and \$1,000,979 as of June 30, 2024 and 2023, respectively.

Contribution of Nonfinancial Assets

Contributions of nonfinancial assets include any non-monetary contributions to the University and are recorded at their estimated fair value at the date of gift or the most readily available estimated value. The University received nonfinancial assets of \$17,311 and \$3,005 for the years ended June 30, 2024 and 2023, respectively.

Income Tax Status

As an educational institution meeting the requirements of Section 501(c)(3) of the Internal Revenue Code, the University is exempt from income taxes on income, as provided in Section 501(a), except to the extent it has taxable income from activities that are not related to its exempt purpose. No provision for income taxes was required for 2024 and 2023. Management has analyzed its tax positions and has concluded there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the consolidated financial statements.

Functional Expenses

The University allocates expenses on a functional basis to its various programs and supporting services. Costs related to the operation and maintenance of physical plant, including depreciation of plant assets and interest on related debt, are allocated to programs and supporting activities on a pro-rata basis determined by the size of each program or supporting activity.

Derivative Financial Instruments

The University has used an interest rate swap agreement to manage interest rate risk associated with variable rate debt. Under an interest rate swap agreement, the University and the counterparty agree to exchange the difference between fixed rate and variable rate interest amounts calculated by reference to specified notional principal amounts during the agreement period. Notional principal

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Notes to Consolidated Financial Statements

amounts are used to express the volume of these transactions, but the cash requirements and amounts subject to credit risk are substantially less. An interest rate swap agreement is recognized at fair value in the consolidated balance sheet and changes in their fair value are recognized as changes in net assets in the period of change in the consolidated statements of activities. Amounts receivable or payable under swap agreement are accounted for as adjustments to interest expense on the related debt. See Note 7 for additional information related to the interest rate swap agreement.

Parties to an interest rate swap agreement are subject to market risk for changes in interest rates and risk of credit loss in the event of nonperformance by the counterparty. The University and the counterparty do not require any collateral under these agreements.

Concentration of Credit Risks

Financial instruments, which potentially subject the University to concentrations of credit risk, consist primarily of cash and cash equivalents, investments, and contributions receivables. The University has several bank accounts at June 30, 2024 and 2023 containing balances which exceed Federal Deposit Insurance Corporation ("FDIC") limits. Amounts reported as cash and cash equivalents which exceeded the FDIC limits were approximately \$4,401,117 and \$4,399,445 at June 30, 2024 and 2023, respectively. Investments are held at creditworthy financial institutions. To date the University has not experienced any significant losses on these accounts. By policy, these investments are kept within authorized limits designed to prevent risks caused by concentration.

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments- Credit Losses* ("ASC 326"), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to measurement of credit losses on financial assets measured at amortized cost. This University adopted ASC 326 effective July 1, 2023, however, the adoption did not have significant impact to the University's consolidated financial statements as accounts scoped in by the standard were immaterial.

2. Accounts Receivable

Accounts receivable are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Contributions receivable, net	\$ 4,238,130	\$ 5,402,240
Student accounts receivable, net	3,078,759	2,573,396
Allowance for credit losses	(1,077,525)	(724,503)
	2,001,234	1,848,893
Accounts receivable, net	\$ 6,239,364	\$ 7,251,133

Stevenson University

Notes to Consolidated Financial Statements

Contributions receivable, net, are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Contributions expected to be collected in:		
Less than one year	\$ 2,023,864	\$ 2,020,452
One year to five years	2,738,598	4,081,673
	4,762,462	6,102,125
Allowance for doubtful accounts	(240,828)	(302,525)
Unamortized discount (average interest rate 3.6% for 2024 and 2023)	(283,504)	(397,360)
Contributions receivable, net	\$ 4,238,130	\$ 5,402,240

At June 30, 2024, approximately 57% of gross contributions receivable were due from three distinct third-party donors.

3. Revenue from Tuition and Fees and Auxiliary Enterprises

The composition of student tuition and fees revenue, net of student aid, was as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Undergraduate	\$ 38,151,911	\$ 37,398,251
Postgraduate	2,734,619	2,737,862
Other	6,961,121	6,597,670
Total	\$ 47,847,651	\$ 46,733,783

Auxiliary enterprises revenue consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Housing and meal plans, net of student aid	\$ 25,126,423	\$ 22,546,492
Bookstore retail operations	874,393	897,720
Vendor commissions and other	144,417	139,190
Total	\$ 26,145,233	\$ 23,583,402

4. Investments

Short-term investments, including money market funds, certificates of deposit and treasury bills are available to support operating activities of the University. These amounts are held by the University and its investment manager until final allocation to the investment pool.

Stevenson University

Notes to Consolidated Financial Statements

Investments are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Short-term investments	\$ 6,134,717	\$ 6,165,494
U.S. government agency obligations	4,725,395	2,881,239
Corporate bonds	7,467,695	9,186,065
Common stocks	73,004,870	73,023,405
Limited partnerships and hedge funds	13,322,191	14,996,187
Total	\$ 104,654,868	\$ 106,252,390

Investments are professionally managed by outside investment management organizations, subject to direction and oversight by a committee of the Board. The Board has established investment policies and guidelines, which cover asset allocation and performance objectives and impose various restrictions and limitations on the managers. These restrictions and limitations are specific to each asset classification and cover concentrations of credit risk, credit quality of fixed-income and short-term investments, and various other matters.

Total investment income and gains are summarized as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Dividend and interest income	\$ 2,589,531	\$ 2,895,896
Net realized and unrealized gains	6,103,391	7,831,177
External investment management fees	(422,344)	(398,922)
Investment income and gains, net	\$ 8,270,578	\$ 10,328,151

The table above includes \$4,422,395 and \$4,342,642 for the years ended June 30, 2024 and 2023, respectively, of investment income and gains that are presented as endowment withdrawals for operations in the consolidated statements of activities.

As of June 30, 2024, and 2023, investments for which fair value were estimated using NAV or partners' capital equivalent aggregated \$13,322,191 and \$14,996,187, respectively.

Stevenson University

Notes to Consolidated Financial Statements

The table below summarizes such investments and certain attributes as of June 30, 2024 and 2023:

Investments	June 30, 2024	June 30, 2023	June 30, 2024 Unfunded Commitments	Redemption Frequency	Redemption Notice Periods
Limited partnerships and hedge funds:					
Private equity funds	\$ 12,629,264	\$ 13,398,583	\$ 2,812,967	Not currently eligible	Not applicable
Real-estate funds	692,927	1,597,604	239,852	Not currently eligible	Not applicable
	<u>\$ 13,322,191</u>	<u>\$ 14,996,187</u>	<u>\$ 3,052,819</u>		

Private Equity Funds

This category, which includes eleven funds as of June 30, 2024 and twelve funds as of June 30, 2023, invests in private equity funds investing in technology companies and other large multi-strategy equity buyouts. The fair values of the investments in this category have been estimated using NAV or partners' capital of the fund multiplied by the University's interest in the fund. These funds are limited partnerships where distributions are made to investors through the liquidation of the underlying assets. It is expected to take up to 15 years to fully distribute those assets.

Real Estate Funds

This category, which includes five funds as of June 30, 2024 and 2023, invests primarily in domestic commercial real estate projects, distressed mortgages, and other real estate owned as a result of foreclosure on collateral underlying these distressed mortgages. The fair values of the investments in this category have been estimated using NAV or partners' capital of the fund multiplied by the University's interest in the fund. These funds make distributions to investors through the liquidation of underlying assets. It is expected to take up to 15 years to fully distribute those assets.

Stevenson University

Notes to Consolidated Financial Statements

5. Fair Value Measurements

The following table presents assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2024:

	Fair Value as of June 30, 2024	Level 1	Level 2	Level 3	Funds at Nav ⁽¹⁾
Assets:					
Investments					
Short-term investments	\$ 6,134,717	\$ 6,134,717	\$ -	\$ -	\$ -
U.S. government agency obligations	4,725,395	4,725,395	-	-	-
Corporate bonds	7,467,695	7,467,695	-	-	-
Common stocks	73,004,870	73,004,870	-	-	-
Limited partnerships and hedge funds	13,322,191	-	-	-	13,322,191
Total assets measured at fair value on a recurring basis	\$ 104,654,868	\$ 91,332,677	\$ -	\$ -	\$ 13,322,191
Liability:					
Interest rate swap agreements	\$ 341,011	\$ -	\$ 341,011	\$ -	\$ -

The following table presents assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2023:

	Fair Value as of June 30, 2023	Level 1	Level 2	Level 3	Funds at Nav ⁽¹⁾
Investments					
Short-term investments	\$ 6,165,494	\$ 6,165,494	\$ -	\$ -	\$ -
U.S. government agency obligations	2,881,239	2,881,239	-	-	-
Corporate bonds	9,186,065	9,186,065	-	-	-
Common stocks	73,023,405	73,023,405	-	-	-
Limited partnerships and hedge funds	14,996,187	-	-	-	14,996,187
Total investments	\$ 106,252,390	\$ 91,256,203	\$ -	\$ -	\$ 14,996,187

⁽¹⁾ Investments that are measured at fair value using NAV as a practical expedient are not classified within the fair value hierarchy. The fair value amounts permit reconciliation of investments in the fair value hierarchy table to amounts presented in the consolidated balance sheets.

There were no transfers between levels during fiscal years 2024 and 2023.

Stevenson University

Notes to Consolidated Financial Statements

6. Land, Buildings, and Equipment

Land, buildings, and equipment are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Land and land improvements	\$ 78,516,534	\$ 74,614,620
Buildings	205,363,934	182,374,928
Equipment, furniture, and fixtures	50,367,460	46,704,998
Construction in progress	2,137,846	21,738,594
Total	336,385,774	325,433,140
Accumulated depreciation and amortization	(123,338,861)	(115,345,745)
Land, buildings, and equipment, net	\$ 213,046,913	\$ 210,087,395

Depreciation and amortization expense recognized for the years ended June 30, 2024 and 2023 was \$8,079,347 and \$6,679,850, respectively.

7. Bonds and Loans Payable, and Interest Rate Swap Agreement

Bonds and loans payable, used to finance the acquisition of land, buildings and equipment, are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Maryland Health and Higher Education Facility Authority ("MHHEFA") revenue bonds Series 2021 A	\$ 126,380,000	\$ 126,380,000
Maryland Health and Higher Education Facility Authority ("MHHEFA") revenue bonds Series 2024	10,000,000	-
Fulton Bank Series 2021 B Bonds	8,176,000	10,429,000
Hyundai Motor Finance Loan	154,448	-
	144,710,448	136,809,000
Add: Unamortized bond premium	14,611,770	15,084,388
Less: Unamortized bond issuance costs	(1,775,841)	(1,277,812)
	\$ 157,546,377	\$ 150,615,576

The MHHEFA revenue bonds Series 2021A consists of Serial Bonds, in total of \$45,290,000, due June 1st of each year beginning June 2028 through 2041, Term Bonds, in total of \$81,090,000, due June 1st of each year 2046, 2051 and 2055. Interest (4.00-5.00%) is payable semiannually on each June 1st and December 1st.

On January 1, 2021, Fulton Bank issued Series 2021B Bonds with a fixed interest rate of 2.35% per annum, maturing on June 1, 2028.

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Notes to Consolidated Financial Statements

The Series 2021 and 2024 Bonds are secured by a first deed of trust lien on substantially all of the University's assets located in Owings Mills, MD with the exception of the acquired Rosewood property. The current and previous agreements require that certain financial and nonfinancial covenants are met. The University is in compliance with its covenants as of June 30, 2024.

On May 23, 2024, the University completed the financing of the MHHEFA Series 2024 bonds which will be used to finance a portion of the construction costs of the Berman Performing Arts Center. The new debt consists of \$10,000,000 in borrowings, which bear interest at a variable rate equal to 79% of one month Secured Overnight Financing Rate ("SOFR") plus a basis adjustment.

Interest costs for the Series 2021 Bonds were \$4,861,962 and \$4,532,852 for the years ended June 30, 2024 and 2023, respectively. Interest costs for the HMF loan was \$4,605 for the year ended June 30, 2024. Interest expense of \$206,794 and \$535,872 for the years ended June 30, 2024 and 2023, respectively, was capitalized.

On February 12, 2024, the University financed six 2024 Hyundai Elantras through Hyundai Motor Finance (HMF). The total amount financed was \$163,015 payable in 60 monthly installments with an interest rate of 7.7%.

The aggregate annual maturities of the bonds and loans payable as of June 30, 2024 are as follows for the years ending June 30:

	Annual
2025	\$ 2,334,620
2026	2,391,904
2027	2,603,369
2028	2,660,031
2029	2,739,524
Thereafter	131,981,000
Total	\$ 144,710,448

Interest Rate Swap

During the year ended June 30, 2024, the University executed an interest rate swap related to the Series 2024 Bonds. As of June 30, 2024 the University has the following interest rate swap agreements outstanding:

Instrument and Counterparty	Original Notional Amount	Rate Paid by University	Rate Received by University	Maturity Date	Fair Value June 30, 2024
Series 2024 Bonds - EagleBank	\$10,000,000	3.42%	79% 1M SOFR	6/10/2039	\$ (341,011)

The interest rate swap is recorded as an other liability in the consolidated balance sheet for the year ended June 30, 2024. The change in the fair value of the interest rate swap is recognized in the consolidated statements of activities of a loss of \$(341,011) in 2024.

Stevenson University

Notes to Consolidated Financial Statements

8. Retirement Programs

The University provides a 403(b) retirement plan under which it matches the voluntary contributions of eligible employees up to a specified percentage of 7.5% in 2024 and 2023. The University's contributions under the plan, which are discretionary, were \$1,754,072 and \$1,722,465 for the years ended June 30, 2024 and 2023, respectively, and are fully vested benefits of the employees. Retirement payments are limited to the amounts in the participants' respective accounts. There is no residual liability to the University.

The University established a Supplemental Executive Retirement Plan "SERP", which is a nonqualified benefit plan under which the University will pay supplemental retirement benefits to key executives. The annual discretionary cost for this plan was \$100,000 and \$99,981 for the years ended June 30, 2024 and 2023, respectively.

9. Net Assets

Net assets released from restrictions during the year ended June 30, 2024 and 2023 were comprised of the following:

	2024	2023
Scholarships and educational support restrictions	\$ 1,746,620	\$ 1,620,931
Institutional and other support restrictions	7,068,803	2,142,497
Total	\$ 8,815,423	\$ 3,763,428

Net assets without donor restrictions consist of the following as June 30, 2024 and 2023:

	2024	2023
Other operating funds	\$ 86,171,778	\$ 78,296,624
Net investment in plant	55,500,536	59,471,819
Total	\$ 141,672,314	\$ 137,768,443

Net assets with donor restrictions consist of the following as of June 30, 2024 and 2023:

	2024	2023
Accumulated endowment gains	\$ 15,106,257	\$ 14,000,893
Other programs and projects	10,138,253	14,887,622
Donor restricted endowment funds in perpetuity	13,765,463	13,585,117
Total	\$ 39,009,973	\$ 42,473,632

Accumulated endowment gains are restricted based on the type of expense for which the original endowment gift was designated, principally for scholarships and instructional expenses.

Stevenson University

Notes to Consolidated Financial Statements

10. Endowment

The University's endowment consists of approximately 85 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Funds functioning as endowments, as designated by the Board, were invested to provide income for a long-term but unspecified period of time. Principal and income from these funds may be utilized at the discretion of University management and the Board.

The Board has interpreted the enacted version of Uniform Prudent Management of Institutional Funds Act (the Act) as requiring the University to manage and invest the individual donor-restricted endowment funds in good faith and prudence. The University classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 purposes of the University and the donor-restricted endowment fund; the possible effect of inflation and deflation; and the expected total return from income and the appreciation of investments.

Endowment net assets consist of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 29,015,038	\$ 29,015,038
Funds functioning as endowment funds	74,774,443	589,254	75,363,697
Total endowed net assets	\$ 74,774,443	\$ 29,604,292	\$ 104,378,735

Endowment net assets consist of the following as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 27,608,540	\$ 27,608,540
Funds functioning as endowment funds	77,940,419	548,087	78,488,506
Total endowed net assets	\$ 77,940,419	\$ 28,156,627	\$ 106,097,046

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Notes to Consolidated Financial Statements

Changes in investment and endowment net assets for the year ended June 30, 2024 are as follows:

	Investments Without Donor Restrictions	Endowments With Donor Restrictions	Total
Balance, July 1, 2023	\$ 77,940,419	\$ 28,156,627	\$ 106,097,046
Investment return:			
Interest and dividends	1,223,934	454,363	1,678,297
Net gains	4,445,690	1,660,513	6,106,203
Total investment return	5,669,624	2,114,876	7,784,500
Contributions	-	148,186	148,186
Appropriation of endowment assets for expenditure	(8,835,600)	(815,397)	(9,650,997)
Balance, June 30, 2024	\$ 74,774,443	\$ 29,604,292	\$ 104,378,735

Changes in investment and endowment net assets for the year ended June 30, 2023 are as follows:

	Investments Without Donor Restrictions	Endowments With Donor Restrictions	Total
Balance, July 1, 2022	\$ 77,228,368	\$ 26,312,979	\$ 103,541,347
Investment return:			
Interest and dividends	1,517,629	533,486	2,051,115
Net gains	5,770,452	2,061,620	7,832,072
Total investment return	7,288,081	2,595,106	9,883,187
Contributions	25,000	240,154	265,154
Appropriation of endowment assets for expenditure	(6,601,030)	(991,612)	(7,592,642)
Balance, June 30, 2023	\$ 77,940,419	\$ 28,156,627	\$ 106,097,046

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 the Act requires the University to retain as a fund of perpetual duration. Deficiencies of this nature were insignificant.

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 real value of the endowment assets. Endowment assets include those assets of donor-restricted funds that are held in perpetuity or for a donor-specified period as well as funds functioning as endowment funds. The endowment assets are invested in a manner that is intended

Stevenson University

Notes to Consolidated Financial Statements

to produce results that exceed the price and yield results of a benchmark composed of S&P index while assuming a moderate level of investment risk. The University expects its endowment funds, over three to five years, to provide an average annual real rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

The University's pooled endowment and similar funds are invested on the basis of a total return policy to provide income and to realize appreciation in investment values. The University has adopted a spending rate of up to 4% of a four-year average market value of its investment portfolio to support operations. On September 10, 2020, the Board of Trustees voted to temporarily suspend the spending cap. The University targets a diversified asset allocation that places emphasis on investments in equities, bonds, and absolute return strategies in a ratio to achieve its long-term return objectives within prudent risk constraints.

11. Operating Expenses

The University's operating expenses are presented on the consolidated statements of activities by functional classification. Operating expenses by functional and natural classification are summarized as follows for the year ended June 30, 2024:

	Program Services					Supporting Services	Totals
	Instruction	Library	Services	General Institutional	Auxiliary Enterprises	General Administration	
Salaries, wages, and fringe benefits	\$ 24,500,001	\$ 424,580	\$ 10,272,090	\$ 6,359,382	\$ 3,288,023	\$ 2,735,631	\$ 47,579,707
Business and professional services	844,005	452,625	4,795,467	5,773,703	1,791,323	103,641	13,760,764
Maintenance and Facilities	3,603,930	118,375	2,584,222	1,918,364	2,164,478	448,685	10,838,054
Depreciation and amortization	2,889,689	96,819	1,925,923	1,442,511	1,365,238	359,167	8,079,347
Interest	1,738,947	58,263	1,163,581	868,070	821,568	216,138	4,866,567
Food service	5,060	516	408,934	7,857	6,883,859	569	7,306,795
Supplies and materials	447,174	7,980	915,467	81,562	95,318	22,505	1,570,006
Other	723,573	5,222	1,096,116	896,692	9,003	433,123	3,163,729
Total	\$ 34,752,379	\$ 1,164,380	\$ 23,161,800	\$ 17,348,141	\$ 16,418,810	\$ 4,319,459	\$ 97,164,969

The University's operating expenses are presented on the consolidated statements of activities by functional classification. Operating expenses by functional and natural classification are summarized as follows for the year ended June 30, 2023:

	Program Services					Supporting Services	Totals
	Instruction	Library	Services	General Institutional	Auxiliary Enterprises	General Administration	
Salaries, wages, and fringe benefits	\$ 23,261,973	\$ 401,660	\$ 10,118,749	\$ 6,325,517	\$ 2,915,903	\$ 2,740,323	\$ 45,764,125
Business and professional services	663,799	404,874	4,280,378	5,160,380	1,891,177	99,875	12,500,483
Maintenance and facilities	3,471,392	115,434	2,748,408	1,799,918	1,921,511	486,293	10,542,956
Depreciation and amortization	2,363,126	80,828	1,644,082	1,188,885	1,089,062	313,867	6,679,850
Interest	1,603,584	54,849	1,115,651	806,760	739,022	212,986	4,532,852
Food service	8,915	362	429,176	6,143	6,233,745	1,404	6,679,745
Supplies and materials	375,185	17,468	979,753	84,705	61,173	20,915	1,539,199
Other	561,280	29,634	1,162,104	882,428	38,344	415,602	3,089,392
Total	\$ 32,309,254	\$ 1,105,109	\$ 22,478,301	\$ 16,254,736	\$ 14,889,937	\$ 4,291,265	\$ 91,328,602

Stevenson University

Notes to Consolidated Financial Statements

Fund-raising expenses, recorded in general institutional expense in the consolidated statements of activities, including salaries, benefits, purchased services, and supplies, excluding depreciation and other allocable costs, totaled \$1,011,168 and \$997,773 for the years ended June 30, 2024 and 2023, respectively.

12. Liquidity and Availability

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

As of June 30, 2024 and 2023, the following assets could readily be available within one year to meet general expenditure:

	2024	2023
Cash and cash equivalents	\$ 4,348,885	\$ 4,316,735
Student accounts receivable, net	2,001,234	1,848,893
Contributions receivable, net	1,834,207	1,835,462
Short-term investments	6,134,726	6,165,494
Approved endowment payout subsequent fiscal year	4,420,176	4,479,931
Financial assets available to meet general expenditures over the next year	\$ 18,739,228	\$ 18,646,515

13. Commitments and Contingencies

Amounts received and expended by the University under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the University.

The University is a party to various litigation and other claims in the ordinary course of business. In the opinion of management, appropriate provision has been made for possible losses and the ultimate resolution of these matters will not have a significant effect on the financial position of the University.

14. Related-Party Transactions

Related-party receivables consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Pledges receivable, net	\$ 1,307,030	\$ 2,449,055

Related-party contributions to the University were as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Contributions of cash and other financial assets	\$ 391,557	\$ 2,909,765

Stevenson University

Notes to Consolidated Financial Statements

15. Subsequent Events

The University has evaluated subsequent events through December 3, 2024, the date of issuance of the consolidated financial statements, and determined that, except as otherwise disclosed in these consolidated financial statements, there were no additional matters requiring adjustment to or disclosure in the consolidated financial statements.

Supplementary Information

Stevenson University

Title IV Strength Factor Score Year Ended June 30, 2024

Reference	Ratio/Variable Description	Data	Strength Factor	Strength Factor Calculation	Strength Factor Weight	Weighted Strength Factor
Primary Reserve Ratio						
Consolidated Balance Sheet	Net assets without donor restrictions	+ \$ 141,672,314				
Consolidated Balance Sheet	Net assets with donor restrictions	+ 39,009,973				
Note 9	Net assets with donor restrictions: restricted in perpetuity	- 13,765,463				
N/A	Annuities, term endowment, and life income funds with donor restrictions	- -				
N/A	Intangible assets	- -				
Consolidated Balance Sheet and Note A	Net property, plant and equipment	- 213,046,913				
N/A	Post-employment and defined benefit pension liabilities	+ -				
Consolidated Balance Sheet and Note B	All debt obtained for long-term purposes, not to exceed net property, plant and equipment	+ 157,546,377				
Note 14	Unsecured related-party receivables	- 1,307,030				
	Numerator total	\$ 110,109,258				
Consolidated Statement of Activities	All expenses and losses without donor restrictions less any losses without donor restriction on investments, post-employment and defined benefit pensions, and annuities	+ \$ 97,505,980				
	Denominator total	\$ 97,505,980				
	Primary Reserve Ratio:	1.13	10.00	3.00	0.40	1.20
Equity Ratio						
Consolidated Balance Sheet	Net assets without donor restrictions	+ \$ 141,672,314				
Consolidated Balance Sheet	Net assets with donor restrictions	+ 39,009,973				
N/A	Intangible assets	- -				
Note 14	Unsecured related-party receivables	- 1,307,030				
	Numerator total	\$ 179,375,257				
Consolidated Balance Sheet	Total assets	+ \$ 348,084,367				
N/A	Intangible assets	- -				
Note 14	Unsecured related-party receivables	- 1,307,030				
	Denominator total	\$ 346,777,337				
	Equity Ratio:	0.52	6.00	3.00	0.40	1.20
Net Income Ratio						
Consolidated Statement of Activities	Change in net assets without donor restrictions	+ \$ 3,903,871				
	Numerator total	\$ 3,903,871				
Consolidated Statement of Activities - Total Operating Revenues, Without Donor Restriction Plus Nonoperating Revenues	Total revenues without donor restriction, including net assets released from restrictions and gains	+ \$ 101,409,851				
	Denominator total	\$ 101,409,851				
	Net Income Ratio:	0.04	1 + (50x)	2.92	0.20	0.58
						3.0

See independent auditor's report on supplementary information as well as notes to Title IV Strength Factor Score.

Stevenson University

Notes to Title IV Strength Factor Score June 30, 2024

Note A. Property, Plant and Equipment, Net

<i>June 30,</i>	<i>2024</i>
Pre-Implementation	
Net property, plant and equipment	\$ 183,656,163
Post-Implementation	
Net property plant and equipment - With outstanding debt for original purchase	27,252,904
Net property plant and equipment - Without outstanding debt for original purchase	-
Construction in process	2,137,846
Total property, plant and equipment, net	\$ 213,046,913

Note B. Long-Term Debt for Long-Term Purposes

<i>June 30,</i>	<i>2024</i>
Long-term debt for long term purposes - pre-implementation	\$ -
Long-term debt for long term purposes - post-implementation	157,546,377
Total long-term debt for long-term purposes	\$ 157,546,377

Long-term debt exceeds twelve months and was used to fund capitalized assets (i.e., property, plant and equipment or capitalized expenditures in accordance with accounting standards generally accepted in the United States of America).