



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN JEWISH UNIVERSITY

Years Ended June 30, 2021 and 2020

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Report of Independent Auditors

To the Board of Directors
American Jewish University

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of American Jewish University (the "University"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Jewish University as of June 30, 2021 and 2020, 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.

Moss Adams LLP

Los Angeles, California
March 9, 2022

American Jewish University
Consolidated Statements of Financial Position

ASSETS		June 30,	
	Notes	2021	2020
Cash and cash equivalents		\$ 1,208,694	\$ 1,503,683
Investments	3,4,8	100,399,244	88,294,230
Accounts and other receivables, net		707,859	195,680
Contributions receivable, net	5	4,155,082	3,432,598
Inventories		101,514	66,617
Prepaid expenses and other assets		518,890	1,021,938
Property and equipment, net	6	33,238,938	33,825,707
Total assets		\$ 140,330,221	\$ 128,340,453
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued expenses		\$ 5,261,899	\$ 6,111,861
Deferred revenue		2,368,185	59,243
Notes payable, net	7	36,696,378	37,690,351
Total liabilities		44,326,462	43,861,455
NET ASSETS			
Without donor restrictions		13,670,482	13,589,587
With donor restrictions	10	82,333,277	70,889,411
Total net assets		96,003,759	84,478,998
Total liabilities and net assets		\$ 140,330,221	\$ 128,340,453

American Jewish University

Consolidated Statement of Activities

	Notes	Year Ended June 30, 2021		
		Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND PUBLIC SUPPORT				
Tuition and fees, net of scholarships and financial aid of \$1,611,207		\$ 1,403,388	\$ -	\$ 1,403,388
Gifts, grants, and bequests		5,086,463	1,915,221	7,001,684
Summer programs		728,066	-	728,066
Auxiliary enterprises		1,150,985	-	1,150,985
Investment income, net	3	8,046,412	12,528,949	20,575,361
Income from ZSRS	4	-	293,977	293,977
Other income		59,883	-	59,883
Net assets released from restrictions		3,294,281	(3,294,281)	-
Total revenues and public support		19,769,478	11,443,866	31,213,344
EXPENSES				
Program services				
Academic		8,544,255	-	8,544,255
Auxiliary enterprises		3,716,287	-	3,716,287
Department of continuing education		1,469,038	-	1,469,038
Total program services		13,729,580	-	13,729,580
Supporting services				
Management and general		6,814,670	-	6,814,670
Fundraising		1,500,688	-	1,500,688
Total supporting services		8,315,358	-	8,315,358
Total expenses		22,044,938	-	22,044,938
NONOPERATING OTHER INCOME (EXPENSE)				
Forgiveness of PPP loan		2,356,355	-	2,356,355
Change in net assets		80,895	11,443,866	11,524,761
NET ASSETS, beginning of year		13,589,587	70,889,411	84,478,998
NET ASSETS, end of year		\$ 13,670,482	\$ 82,333,277	\$ 96,003,759

American Jewish University
Consolidated Statement of Activities (Continued)

		Year Ended June 30, 2020		
	Notes	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND PUBLIC SUPPORT				
Tuition and fees, net of scholarships and financial aid of \$2,069,871		\$ 2,031,757	\$ -	\$ 2,031,757
Gifts, grants, and bequests		3,477,209	3,266,167	6,743,376
Summer programs		2,207,678	-	2,207,678
Auxiliary enterprises		3,220,625	-	3,220,625
Investment income, net	3	307,744	1,177,114	1,484,858
Income from ZSRS	4	-	502,139	502,139
Other income		53,484	-	53,484
Net assets released from restrictions		4,469,232	(4,469,232)	-
Total revenues and public support		<u>15,767,729</u>	<u>476,188</u>	<u>16,243,917</u>
EXPENSES				
Program services				
Academic		7,613,418	-	7,613,418
Auxiliary enterprises		7,739,871	-	7,739,871
Department of continuing education		1,623,302	-	1,623,302
Total program services		<u>16,976,591</u>	<u>-</u>	<u>16,976,591</u>
Supporting services				
Management and general		8,110,437	-	8,110,437
Fundraising		1,667,347	-	1,667,347
Total supporting services		<u>9,777,784</u>	<u>-</u>	<u>9,777,784</u>
Total expenses		<u>26,754,375</u>	<u>-</u>	<u>26,754,375</u>
NONOPERATING OTHER INCOME (EXPENSE)				
Forgiveness of PPP loan		-	-	-
Change in net assets		(10,986,646)	476,188	(10,510,458)
NET ASSETS, beginning of year		<u>24,576,233</u>	<u>70,413,223</u>	<u>94,989,456</u>
NET ASSETS, end of year		<u>\$ 13,589,587</u>	<u>\$ 70,889,411</u>	<u>\$ 84,478,998</u>

American Jewish University

Consolidated Statements of Functional Expenses

	Year Ended June 30, 2021						
	Program Services			Supporting Services			
	Academic	Auxiliary Enterprises	Department of Continuing Education	Total Program Services	Management and General	Fundraising	Total Expenses
FUNCTIONAL EXPENSES							
Compensation	\$ 4,540,722	\$ 1,760,436	\$ 840,824	\$ 7,141,982	\$ 3,080,694	\$ 998,842	\$ 11,221,518
Utilities and building maintenance	978,596	720,193	48,157	1,746,946	74,316	13,674	1,834,936
Depreciation	1,020,351	754,099	50,212	1,824,662	94,497	14,258	1,933,417
Interest	455,315	156,169	95,465	706,949	463,221	102,514	1,272,684
Insurance	427,002	146,458	89,529	662,989	434,417	96,139	1,193,545
Professional services	488,238	89,069	223,534	800,841	1,958,259	241,812	3,000,912
Food services	189,704	31,255	435	221,394	2,077	1,899	225,370
Supplies and other services	444,327	58,608	120,882	623,817	707,189	31,550	1,362,556
Total functional expenses	<u>\$ 8,544,255</u>	<u>\$ 3,716,287</u>	<u>\$ 1,469,038</u>	<u>\$ 13,729,580</u>	<u>\$ 6,814,670</u>	<u>\$ 1,500,688</u>	<u>\$ 22,044,938</u>

	Year Ended June 30, 2020						
	Program Services			Supporting Services			
	Academic	Auxiliary Enterprises	Department of Continuing Education	Total Program Services	Management and General	Fundraising	Total Expenses
FUNCTIONAL EXPENSES							
Compensation	\$ 4,331,520	\$ 3,222,221	\$ 977,978	\$ 8,531,719	\$ 3,561,892	\$ 1,076,369	\$ 13,169,980
Utilities and building maintenance	1,020,421	1,264,913	82,256	2,367,590	63,974	11,771	2,443,335
Depreciation	763,282	946,163	61,528	1,770,973	47,853	8,805	1,827,631
Interest	353,959	335,688	89,831	779,478	485,646	99,986	1,365,110
Insurance	168,274	159,588	42,706	370,568	230,879	47,534	648,981
Professional services	387,262	402,481	231,149	1,020,892	2,306,487	187,742	3,515,121
Food services	28,439	597,139	4,227	629,805	21,118	37,819	688,742
Supplies and other services	560,261	811,678	133,627	1,505,566	1,392,588	197,321	3,095,475
Total functional expenses	<u>\$ 7,613,418</u>	<u>\$ 7,739,871</u>	<u>\$ 1,623,302</u>	<u>\$ 16,976,591</u>	<u>\$ 8,110,437</u>	<u>\$ 1,667,347</u>	<u>\$ 26,754,375</u>

American Jewish University
Consolidated Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,524,761	\$ (10,510,458)
Adjustments to reconcile change in net assets to net cash flows used in operating activities		
Depreciation	1,933,417	1,827,631
Forgiveness of PPP loan	(2,356,355)	-
Amortization of debt issuance costs	38,714	39,608
Net realized and unrealized (gains) on investments	(19,724,074)	(112,990)
Change in value of liability under gift annuities	3,597	5,223
Change in allowance for doubtful contributions receivable	13,811	41,049
Change in allowance for doubtful accounts and other receivables	(3,468)	(21,708)
Change in present value discount on contributions receivable	(30,755)	73,619
Contributions restricted for endowment	(7,650)	(2,784)
Equity income from ZSRS	(293,977)	(502,139)
Changes in operating assets and liabilities		
Accounts and other receivables	(518,650)	486,059
Contributions receivable	(705,540)	(2,047,467)
Inventories	(34,897)	81,749
Prepaid expenses and other assets	503,048	(355,568)
Accounts payable and accrued expenses	(848,933)	936,487
Deferred revenue	2,308,942	(2,284,469)
Net cash used in operating activities	(8,198,009)	(12,346,158)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,346,648)	(1,866,085)
Payments on notes receivable	9,939	50,763
Purchase of investments	(16,347,550)	(17,038,139)
Sale of investments	23,485,587	25,451,163
Distribution received from ZSRS	775,000	875,000
Net cash provided by investing activities	6,576,328	7,472,702
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	7,650	2,784
Proceeds from notes payable	2,000,000	5,213,258
Principal payments on notes payable	(676,332)	(748,704)
Liability under gift annuities	(4,626)	(6,276)
Net cash provided by financing activities	1,326,692	4,461,062
CHANGE IN CASH AND CASH EQUIVALENTS	(294,989)	(412,394)
CASH AND CASH EQUIVALENTS, beginning of year	1,503,683	1,916,077
CASH AND CASH EQUIVALENTS, end of year	\$ 1,208,694	\$ 1,503,683
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 1,233,970	\$ 1,325,502
SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING ACTIVITIES		
Forgiveness of PPP loan	\$ 2,356,355	\$ -

See accompanying notes.

American Jewish University

Notes to Consolidated Financial Statements

Note 1 – Nature of Organization

The American Jewish University is a nonprofit educational institution built upon the mission of Jewish Learning, Culture, Ethics, Leadership, and Peoplehood. The American Jewish University is accredited by the Western Association of Schools and Colleges (“WASC”). The American Jewish University owns and operates two campuses; they are located in Los Angeles County, California, and Ventura County, California.

The American Jewish University is the sole member of AJU BBI Holdings LLC and AJU Peppertree Holdings LLC. AJU BBI Holdings LLC, in turn, has a 100% ownership interest in a separate corporation, the Brandeis Mutual Water Company, which was established to protect the water rights for one of the American Jewish University’s campuses, the Brandeis-Bardin campus. The investment allows the American Jewish University to buy its water from the local water district at cost. Brandeis Mutual Water Company has \$75,000 in assets, included in other assets in the consolidated statements of financial position. There was no activity in these companies for the years ended June 30, 2021 and 2020.

The American Jewish University also has a 100% equity interest in ZSRS Fund, LLC (“ZSRS”). ZSRS holds notes receivable and a number of minority interests in partnerships that own property in California and Arizona. The American Jewish University accounts for this investment using the equity method of accounting for investments (See Note 4).

Jewish Television Network is a wholly owned subsidiary of the American Jewish University. Jewish Television Network’s primary purpose is to produce and distribute digital programming that reflects Judaism and Jewish values. Due to minimal operation in recent years, Jewish Television Network is expected to be dissolved during the year ending June 30, 2022.

The American Jewish University is a designated beneficiary of the University of Judaism Foundation (the “Foundation”). The Foundation was established in 1980 by officers of the American Jewish University to support the American Jewish University and other public charities, as defined by the Internal Revenue Code. Under the terms of the Foundation’s incorporating documents, the American Jewish University receives a minimum of approximately 35% of the Foundation’s annual income. Additional income amounts, as well as the principal of the Foundation, may be received by the American Jewish University based upon annual designations of the Foundation’s members. The American Jewish University has the ability to control the majority of the board of directors of the Foundation.

Note 2 – Summary of Significant Accounting Policies

Principles of consolidation – The accompanying consolidated financial statements include the American Jewish University, AJU BBI Holdings LLC, Brandeis Mutual Water Company, AJU Peppertree Holdings LLC, and the Jewish Television Network (collectively, the “University”). All intercompany transactions and balances have been eliminated upon consolidation.

The University has not consolidated the Foundation’s financial position and activities into these consolidated financial statements as it considers the impact to be immaterial.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Recently adopted accounting pronouncements – On July 1, 2020, the University adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The standard was adopted on the modified retrospective basis. The adoption of this standard did not have a material impact on the University's consolidated financial statements.

On July 1, 2020, the University adopted ASU No. 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*. The standard was adopted on the retrospective basis.

Basis of presentation – The consolidated financial statements have been prepared based on the accrual basis of accounting.

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

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The University has not designated any net assets for a special purpose.
- *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents – Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase, except for cash held for re-investment.

The University maintains its temporary cash investments in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. The University has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Investments – Investments at June 30 consist of the following:

	<u>2021</u>	<u>2020</u>
Investments at fair value	\$ 89,247,805	\$ 76,661,768
Investment in ZSRS, equity method	<u>11,151,439</u>	<u>11,632,462</u>
Total investments	<u>\$ 100,399,244</u>	<u>\$ 88,294,230</u>

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Investments in alternative strategies, for which there is no readily available market, are valued by the University using methods that management believes provide a reasonable estimate of fair value. These methods include initial due diligence and ongoing monitoring by management of investment funds. Valuations based on fair value using the net asset value (NAV) per share (or its equivalent) of such investment funds as a practical expedient for fair value. The University has estimated the fair value of these funds by using the NAV provided by the fund's managers.

The University accounts for equity method investments by recording the University's initial investment in the consolidated statements of financial position. The University's share of income or loss is then recorded in the consolidated statement of activities for each period. Distributions are recorded as a reduction in the balance of the equity method investment.

Investment purchases and sales are accounted for on a trade-date basis, which resulted in receivables and payables on trades that had not yet settled at the financial statement date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income are recorded when earned. Gains or losses (including investments bought, sold, and held during the year) and interest and dividend income net of investment fees are reflected in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could be material.

Investments are made according to the investment policies, guidelines, and objectives adopted by the University's Board of Directors. Fair values of such investments are routinely reviewed by the Investment Committee of the Board of Directors.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Accounts and other receivables – Receivables related to tuition, fees, and charges related to degree seeking students, non-degree seeking students, and summer camp programs are recorded when billed or accrued and represent claims against third parties that will be settled in cash. Amounts billed are due prior to starting class or summer camp. The University does not obtain collateral and does not charge interest on balances due. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated fair value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables, and existing economic conditions. Past due receivable balances are written off when internal collection efforts have been exhausted. At June 30, 2021 and 2020, management evaluated the collectability of its receivables and determined that an allowance of \$29,017 and \$32,485, respectively, for uncollectible receivables was necessary.

Contributions receivable – Unconditional contributions, including pledges and bequests, are recorded at estimated fair value and recognized as revenues in the period received. The University reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. The allowance is based on historical experience and management's evaluation of receivables at the end of each year. Unconditional contributions receivable with terms greater than one year are initially recorded at fair value based on their estimated future cash flows and then discounted to present value using a discount rate commensurate with the risk involved. Conditional promises to give are not included as support until such time as the conditions are substantially met. At June 30, 2021 and 2020, the University had conditional contributions totaling approximately \$85,706 and \$83,820, respectively, restricted for the Master of Arts in Teaching program.

Inventories – Inventories consist mainly of items held for sale in the University's food service and are stated at the net realizable value and accounted for using the first-in, first-out (FIFO) method.

Property and equipment – Property and equipment are recorded at cost if purchased or at fair value at the date of donation, if donated. The University capitalizes all long-lived physical assets in excess of \$1,500. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as follows:

Buildings	40 years
Building improvements	10 years
Furniture and equipment	3 to 5 years
Automotive equipment	5 years

Expenditures for repairs and maintenance are charged to operations when incurred while renewals and betterments are capitalized.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Debt issuance costs – Debt issuance costs are amortized by use of the straight-line method over the anticipated life of the related debt. Debt issuance costs, other than those costs related to line of credit arrangements, are netted against the corresponding liability as shown in Note 7. The amortization of these costs is included in interest expense.

Long-lived assets – The University reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable.

An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the years ended June 30, 2021 and 2020.

Collections of art and literature – The University’s library collection, fine art works, and sculpture collection, which were acquired through contributions and purchases, are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires deaccessioning proceeds to be used to acquire other items for collections or for direct care of the collection.

Gift annuities – The University has received donations of assets in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. Assets contributed by donors under gift annuity agreements and controlled by the University are recognized at fair value with a corresponding liability to beneficiaries of the annuity agreements. The excess of the cash received over the present value of the annuity obligation is recorded as contribution revenue on the date the annuity gift is received, and the liability is determined. Such liability is calculated as the present value of the estimated future cash flows to be distributed to the income beneficiaries over their expected lives. To the extent the University is entitled, annuity funds are transferred to operations upon the death of the annuitant. The University monitors reserve funds and is in compliance with guidelines specified by the State of California Department of Insurance. The present value of these liabilities included in accounts payable and accrued expenses amounted to \$26,356 and \$27,385 at June 30, 2021 and 2020, respectively. Amortization of the discount and changes in actuarial assumptions of \$1,029 and \$1,052 was recorded into revenue for the years ended June 30, 2021 and 2020, respectively.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Revenue Recognition and Deferred Revenue

Tuition and fees – Tuition and fees income is recognized as the educational services are provided. Revenue recognition begins once a student starts attending a course and then continues to be recognized pro rata over the term. Registration and other fees that do not relate to instruction are recognized when no longer refundable. Tuition and fees received by the University for semesters or sessions occurring subsequent to June 30, 2021 and 2020, are recorded as deferred revenue.

Gifts and grants – Unconditional contributions, including pledges recorded at fair value, are recognized as revenues in the period received. The University reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions with a right-to-return and a barrier are considered to be conditional and, accordingly, are not included as revenue until such time as the conditions are substantially met.

Certain federal grants which the University administers and for which it receives reimbursements are subject to inspection and audit by federal granting agencies. The purpose is to determine whether such funds were used in accordance with their respective guidelines and regulations. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time. The University expects that such amounts, if any, would not have a significant impact on the consolidated financial position of the University.

Bequests – Bequests are not recognized as support until all of the following conditions are met: the demise of testator, the amount of the bequest is known, the University is certain that, based on the estate's net assets, the amount bequeathed is realizable, and the probate court has declared the will valid.

Summer programs – Fees received in advance for summer camps and other programs are deferred and recognized as income in the period in which the related camps and programs are held.

Auxiliary enterprises – Fees received in advance for conferences and other auxiliary services are deferred and recognized as income in the period in which the related conferences and services are held or delivered.

Income taxes – The University is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the corresponding California provisions. As of June 30, 2021 and 2020, the University had no uncertain tax positions requiring accrual.

Functional allocation of expenses – The direct costs of providing the University's programs and other activities which are identifiable have been charged to the related programs or supporting services. Indirect or shared costs are allocated among program and supporting services by the method that best measures the relative degree of benefit, such as square footage for depreciation, utilities, and building maintenance.

American Jewish University

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Use of estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

New accounting pronouncements – In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the consolidated statements of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the consolidated financial statements. For the University, the ASU will be effective for the year ending June 30, 2023.

Reclassification – For comparability, certain June 30, 2020 amounts have been reclassified, where appropriate, to conform with the consolidated financial statement presentation used at June 30, 2021; there was no impact to net assets.

Note 3 – Investments at Fair Value

Investments at fair value at June 30 consist of the following:

	<u>2021</u>	<u>2020</u>
Mutual funds – equity	\$ 51,259,110	\$ 39,867,123
Mutual funds – fixed income	10,817,467	11,143,212
Exchange traded funds	9,058,283	7,643,479
Cash held for investment	711,492	649,601
United States Treasury bonds	-	1,999,640
Israel bonds	1,000	3,000
Alternative strategies	<u>17,400,453</u>	<u>15,355,713</u>
Total investments at fair value	<u>\$ 89,247,805</u>	<u>\$ 76,661,768</u>

American Jewish University
Notes to Consolidated Financial Statements

Note 3 – Investments at Fair Value (continued)

Investments are generally pooled and managed under various asset diversification strategies, depending upon the specific pool's objectives, and to avoid significant concentrations of market risk. Under the University's endowment spending policy, certain amounts (based on percentage of the investment value of the endowment) are appropriated to support current operations.

Investment income reflected in the consolidated statements of activities for the years ended June 30 consists of the following:

	<u>2021</u>	<u>2020</u>
Realized gains	\$ 4,598,897	\$ 4,266,600
Interest and dividend income, net of investment fees	851,287	1,371,868
Unrealized gains (losses)	<u>15,125,177</u>	<u>(4,153,610)</u>
Investment income, net	<u>\$ 20,575,361</u>	<u>\$ 1,484,858</u>

Note 4 – Investment in ZSRS

The University holds a 100% equity interest in ZSRS but is not the managing member and does not have substantive participating or kick-out rights. As of June 30, 2021 and 2020, the University does not control ZSRS, and therefore accounts for its membership interest in ZSRS using the equity method of accounting for investments. The University records its share of ZSRS's income or loss. Distributions received are recorded as a decrease in the carrying value of its investment in ZSRS.

American Jewish University

Notes to Consolidated Financial Statements

Note 4 – Investment in ZSRS (continued)

Summarized financial information for ZSRS as of June 30:

	2021	2020
Cash	\$ 204,794	\$ 1,205,542
Notes receivable	2,957,753	2,082,753
Investments in partnerships	8,185,676	8,340,951
Other receivables	13,216	13,216
	<u>\$ 11,361,439</u>	<u>\$ 11,642,462</u>
Total assets		
Liabilities	\$ 210,000	\$ 10,000
Equity	11,151,439	11,632,462
	<u>\$ 11,361,439</u>	<u>\$ 11,642,462</u>
Total liabilities and equity		
Revenues	\$ 412,539	\$ 512,759
Expenses	(118,562)	(10,620)
	<u>\$ 293,977</u>	<u>\$ 502,139</u>
Net income		

ZSRS has ownership interests ranging from approximately 16%–38% in eleven real estate partnerships. ZSRS accounts for the following partnership interests using the equity method as of June 30:

Partnership	Ownership Percentage	2021 Carrying Value	2020 Carrying Value
10th Street Ziegler Partnership	16.67%	\$ 338,072	\$ 303,571
29th Avenue Arizona Partnership	16.67%	183,505	177,703
409 N Genesse LP	21.11%	39,808	50,526
9015 & 9025 Rangely LP	30.21%	337,306	418,899
Santa Maria Industrial Building LLC	16.67%	870,557	842,344
Circle Partnership	37.77%	1,186,676	1,236,827
Glen Development Company	15.96%	2,028,932	2,007,062
Standard Saybrook Associates	16.67%	728,676	727,264
WPI Properties, Ltd.	19.36%	1,238,963	1,277,081
3933 Marathon LP	18.54%	557,638	601,670
7714 Rosewood LP	38.46%	675,543	698,004
		<u>\$ 8,185,676</u>	<u>\$ 8,340,951</u>
Investments in partnerships			

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Notes to Consolidated Financial Statements

Note 4 – Investment in ZSRS (continued)

ZSRS holds the following promissory notes receivable at June 30:

	2021	2020
Promissory note collateralized by a second priority deed of trust from Cabrillo Partnership LP in the amount of \$1,250,000. The note has a fixed interest rate of 4.5% and matures on January 15, 2027. Interest only of \$4,688 is payable monthly and principal is payable on maturity date.	\$ 1,250,000	\$ 1,250,000
Promissory note collateralized by a first priority deed of trust from Circle Partnership in the original principal amount of \$1,595,636. The note has a fixed interest rate of 3.5% and matures on December 31, 2023. Terms of the note require monthly interest-only payments of \$1,904.	652,753	652,753
Promissory note collateralized by a third priority deed of trust from Cabrillo Partnership LP in the amount of \$180,000. The amended note has a fixed interest rate of 4.5% and matures on January 15, 2027. Interest only of \$675 is payable monthly and principal is payable on maturity date.	180,000	180,000
Promissory note collateralized by a third priority deed of trust from Windsor in the amount of \$875,000. The amended note has a fixed interest rate of 4.5% and matures on July 31, 2022. Interest only of \$9,844 is payable quarterly and principal is payable on maturity date.	875,000	-
Total notes receivable	\$ 2,957,753	\$ 2,082,753

The future maturity of notes receivable at June 30, 2021, is as follows:

Years Ending June 30,	
2022	\$ 875,000
2023	-
2024	652,753
2025	-
2026	-
Thereafter	1,430,000
Total	\$ 2,957,753

American Jewish University

Notes to Consolidated Financial Statements

Note 5 – Contributions Receivable

Contributions receivable at June 30 are due to be received as follows:

	<u>2021</u>	<u>2020</u>
Due in 1 year	\$ 1,022,833	\$ 1,591,867
Due in 2–5 years	3,037,574	1,505,800
Due in over 5 years	<u>260,800</u>	<u>518,000</u>
Total	4,321,207	3,615,667
Less		
Allowance for doubtful contributions receivable	(86,424)	(72,613)
Discount to reflect present value of contributions receivable (discount rates ranging from 0.14%–2.47%)	<u>(79,701)</u>	<u>(110,456)</u>
Total contributions receivable (net)	<u>\$ 4,155,082</u>	<u>\$ 3,432,598</u>

As of June 30, 2021, there was \$1,500,000 outstanding from one donor and \$1,000,000 outstanding from another donor. As of June 30, 2020, there was \$2,000,000 outstanding from one donor.

Note 6 – Property and Equipment

Property and equipment at June 30 consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 5,169,104	\$ 5,169,104
Buildings and improvements	76,531,460	74,827,444
Furniture and equipment	5,818,004	5,784,090
Automotive equipment	296,975	261,261
Construction in progress	<u>274,128</u>	<u>701,123</u>
Total	88,089,671	86,743,022
Less: accumulated depreciation	<u>(54,850,733)</u>	<u>(52,917,315)</u>
Property and equipment (net)	<u>\$ 33,238,938</u>	<u>\$ 33,825,707</u>

Depreciation expense for the years ended June 30, 2021 and 2020, was \$1,933,417 and \$1,827,631, respectively.

American Jewish University
Notes to Consolidated Financial Statements

Note 7 – Notes Payable

The University is obligated under the following borrowing arrangements at June 30:

	2021	2020
<p>\$31,500,000 Mortgage Loan from a financial institution with an initial interest rate of 4% per annum, amortized over a hypothetical 30 years, leaving a balloon payment at the maturity date. The maturity date of August 1, 2025, may be extended for (i) 5 years with an annual interest rate of the 10 year Constant Maturity Treasury (CMT) rate plus 1.8% or 3.75%, whichever is the higher; or (ii) 10 years with an annual interest rate of the 10 year CMT rate plus 2% or 4%, whichever is the higher. Principal and interest payments of \$151,640 are due monthly and a balloon payment is due upon final maturity. The mortgage loan is collateralized by certain assets of the University.</p>	\$ 27,994,407	\$ 28,663,835
<p>\$11,361,240 line of credit with a financial institution, collateralized by investments, and perpetual; interest at the financial institution's base rate less 4.25% or 1.25% as of June 30, 2021 and 2020; due on demand. The credit extension limit fluctuates daily with the loanable value of the pledged securities.</p>	6,850,000	6,856,903
<p>Note payable to a financial institution under the Paycheck Protection Program; principal and interest due monthly at 1%; unsecured; note from April 2020 was forgiven in June 2021 and note from March 2021 was forgiven in July 2021.</p>	2,000,000	2,356,355
<p>Total notes payable</p>	36,844,407	37,877,093
<p>Less: unamortized debt issuance costs</p>	(148,029)	(186,742)
<p>Total notes payable (net)</p>	\$ 36,696,378	\$ 37,690,351

American Jewish University

Notes to Consolidated Financial Statements

Note 7 – Notes Payable (continued)

The notes payable principal maturity schedule is as follows:

Years Ending June 30,	
2022	\$ 9,547,152
2023	725,956
2024	753,024
2025	787,065
2026	<u>25,031,210</u>
	36,844,407
Less: unamortized debt issuance costs	<u>(148,029)</u>
Total	<u>\$ 36,696,378</u>

The base rate of the financial institution holding the line of credit was 5.50% at June 30, 2021 and 2020.

Interest expense incurred on these notes amounted to \$1,272,684 and \$1,365,110 for the years ended June 30, 2021 and 2020, respectively. Included in interest expense is amortization of debt issuance costs of \$38,714 and \$39,608 for the years ended June 30, 2021 and 2020, respectively.

In April 2020 and March 2021, the University qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$2,356,355 and \$2,000,000, respectively (the "PPP Loans"). The PPP Loans bears interest at a fixed rate of one percent per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the University's request and to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program. Qualifying expenses include payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the University. The University applied for and received forgiveness on all PPP Loans with respect to these covered expenses. During the year ended June 30, 2021, the PPP Loan totaling \$2,356,355 was forgiven. The remaining loan for \$2,000,000 was forgiven in July 2021.

American Jewish University

Notes to Consolidated Financial Statements

Note 8 – Fair Value Measurements

The University has implemented an accounting standard for those assets (and liabilities) that are remeasured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following tables present information about the University's assets that are measured at fair value on a recurring basis at June 30, 2021 and 2020, and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2021	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share or its Equivalent (NAV)
Mutual and exchange traded funds – equity	\$ 51,259,110	\$ 51,259,110	\$ -	\$ -	\$ -
Mutual and exchange traded funds – fixed income	10,817,467	10,817,467	-	-	-
Exchange traded funds	9,058,283	9,058,283	-	-	-
Cash held for investment	711,492	711,492	-	-	-
Israel bonds	1,000	-	1,000	-	-
Alternative strategies					
Multi-strategy	12,413,016	-	-	-	12,413,016
Long-term capital appreciation	1,411	-	-	-	1,411
International distressed bonds and equity	162,847	-	-	-	162,847
Fixed income	3,871,468	-	-	-	3,871,468
Real estate	951,711	-	-	-	951,711
Total investments at fair value	<u>\$ 89,247,805</u>	<u>\$ 71,846,352</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 17,400,453</u>

American Jewish University

Notes to Consolidated Financial Statements

Note 8 – Fair Value Measurements (continued)

	Year Ended June 30, 2020	Fair Value Measurements Using				Net Asset Value Per Share or its Equivalent (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Mutual and exchange traded funds – equity	\$ 39,867,123	\$ 39,867,123	\$ -	\$ -	\$ -	
Mutual and exchange traded funds – fixed income	11,143,212	11,143,212	-	-	-	
Exchange traded funds	7,643,479	7,643,479	-	-	-	
Cash held for investment	649,601	649,601	-	-	-	
United States Treasury bonds	1,999,640	-	1,999,640	-	-	
Israel bonds	3,000	-	3,000	-	-	
Alternative strategies						
Multi-strategy	11,054,381	-	-	-	11,054,381	
Long-term capital appreciation	24,121	-	-	-	24,121	
International distressed bonds and equity	163,108	-	-	-	163,108	
Fixed income	3,437,218	-	-	-	3,437,218	
Real estate	676,885	-	-	-	676,885	
Total investments at fair value	<u>\$ 76,661,768</u>	<u>\$ 59,303,415</u>	<u>\$ 2,002,640</u>	<u>\$ -</u>	<u>\$ 15,355,713</u>	

The fair values of mutual funds and exchange traded funds within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The bonds within Level 2 were valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

The following summarizes the investments by major class where NAV or its equivalent is used to measure fair value as of June 30, 2021:

	(In Thousands)		Redemption Frequency	Redemption Notice Period	Notes
	Fair Value	Unfunded Commitments			
Multi-strategy securities	\$ 12,413,016	\$ 261,130	1 – 90 days	1 – 60 days	(a)
Long-term capital appreciation securities	1,411	-	Quarterly, after one-year lockup expires with a 10% gate	60 – 90 days	(b)
International distressed bonds and equity securities	162,847	200,000	Illiquid	None	(c)
Fixed income securities	3,871,468	-	Daily	None	(d)
Real estate securities	951,711	531,607	Illiquid	None	(e)
	<u>\$ 17,400,453</u>	<u>\$ 992,737</u>			

(a) Consists of limited partnerships utilizing multiple investment strategies.

(b) Consists of a hedge fund utilizing long-term capital appreciation investment strategy.

(c) Consists of a hedge fund utilizing international distressed bonds investment strategy.

(d) Consists of an open-ended investment company utilizing a fixed income investment strategy.

(e) Consists of a private equity fund investing in real estate.

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Notes to Consolidated Financial Statements

Note 9 – Commitments and Contingencies

In the ordinary course of conducting its business, the University may become involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the University which, from time to time, may have an impact on its change in net assets. The University does not believe that these proceedings, individually or in the aggregate, are material to the accompanying consolidated financial statements.

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, their customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations, including the University's operations.

Administration of the University has been closely monitoring the impact of COVID-19 on the University's operations, including the impact on its students and employees. The duration and intensity of the pandemic are uncertain but may influence use of remote learning strategies, student enrollment and housing decisions, donor decisions, investment performance, and may also negatively impact collection of University receivables.

Note 10 – Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
General endowment funds	\$ 23,455,712	\$ 19,664,613
Endowment funds held for scholarships	2,850,828	2,687,265
Scholarships	5,736,842	5,299,388
Ziegler School of Rabbinic Studies	12,949,391	13,509,345
Whizin Center for Continuing Education	16,019,142	13,160,972
Gift annuities	3,367	3,062
Property and equipment	4,780,310	3,339,534
Other time and purpose restrictions	<u>16,537,685</u>	<u>13,225,232</u>
Total net assets with donor restrictions	<u>\$ 82,333,277</u>	<u>\$ 70,889,411</u>
Net assets restricted by the donor in perpetuity	\$ 21,588,297	\$ 21,659,280
Net assets restricted by the donor for other purposes	<u>60,744,980</u>	<u>49,230,131</u>
Total net assets with donor restrictions	<u>\$ 82,333,277</u>	<u>\$ 70,889,411</u>

American Jewish University

Notes to Consolidated Financial Statements

Note 11 – Endowments

Endowment funds are established by donor-restricted gifts and bequests to either provide a perpetual endowment, which is to provide a perpetual source of income to the University, or a term endowment, which is to provide income for a specified period to the University.

The University's management has an understanding of California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity. The University therefore appropriates for expenditure or accumulates so much of an endowment fund as the Board determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making a determination to appropriate or accumulate, the Board of Directors acts in good faith and with care that an ordinary prudent person in a like position would exercise under similar circumstances, keeping in mind the continued existence of the program the gift was intended to support.

The University's investment objectives are to provide the University with a rate of growth equal to or exceeding the University's annual draw rate or the rate of inflation, whichever is higher. The endowment assets are to be invested as a balanced portfolio consisting of equity, fixed income, cash equivalent securities, and other assets with due regard to preservation and growth of principal.

The University's spending policy's objective is to provide for positive growth in the market value of its endowment, net of distributions, over an extended period of time. In establishing this policy, the Board of Directors considered the long-term expected return of the endowment investment pool and the goal of maintaining the purchasing power of the endowment assets. Over the long term, the current spending policy's objective is to return a net positive gain in market value (growth) after spendable transfers. The annual rate for spendable transfers, distributed quarterly, is decided on by the Board of Directors. For the years ended June 30, 2021 and 2020, this rate was on average 5% and 4.49% to 5.08%, respectively, of each endowment's spending base. The spending base is calculated by using a 3-year average market value of each endowment's investments.

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Notes to Consolidated Financial Statements

Note 11 – Endowments (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. There were no deficiencies of this nature at June 30, 2020 and 2021.

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in endowment net assets for the year ended June 30, 2020			
Endowment net assets – beginning of year	\$ -	\$ 22,521,049	\$ 22,521,049
Contributions	-	2,784	2,784
Interest and dividends	-	153,945	153,945
Net realized and unrealized gains	-	235,007	235,007
Appropriation of endowment assets for expenditure	-	(560,907)	(560,907)
Endowment net assets – end of year	\$ -	\$ 22,351,878	\$ 22,351,878
Changes in endowment net assets for the year ended June 30, 2021			
Endowment net assets – beginning of year	\$ -	\$ 22,351,878	\$ 22,351,878
Contributions	-	7,650	7,650
Interest and dividends	66,163	110,184	176,347
Net realized and unrealized gains	-	4,447,624	4,447,624
Donor reclassification	-	(78,633)	(78,633)
Appropriation of endowment assets for expenditure	(66,163)	(532,163)	(598,326)
Endowment net assets – end of year	\$ -	\$ 26,306,540	\$ 26,306,540

Note 12 – Pension Plan

The University has a defined contribution pension plan covering substantially all of its full-time employees. Payments to the plan totaled \$0 and \$275,048 for the years ended June 30, 2021 and 2020, respectively.

Note 13 – Related-Party Transactions

In 2018, the University entered into an agreement with the former president of the University (the “Former President”) to compensate the Former President for stepping down from his position effective June 30, 2019. The University made post-employment payments to the Former President each pay period from July 1, 2018 through June 30, 2021. Each payment will approximate the Former President’s salary plus benefits. The University has recorded a liability totaling \$0 and \$367,418 as of June 30, 2021 and 2020, respectively, included in accounts payable.

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Notes to Consolidated Financial Statements

Note 13 – Related-Party Transactions (continued)

As of June 30, 2019, included in accounts and other receivables is a note receivable from a Vice President. The amount of the note was \$50,000, unsecured, with interest 2.42% per annum, with principal and interest payable on or before July 15, 2019. Interest income on the note totaled \$1,065 for the year ended June 30, 2019. The note was repaid in full on July 15, 2019.

Included in accounts and other receivables is a note receivable from a Vice President. The amount of the note was \$40,000, secured by property, with interest 2.37% per annum. Interest income on the note totaled \$148 and \$882 for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and 2020, the balance on the note receivable was \$29,299 and \$39,237, respectively. The note matures in May 2024.

During the year ended June 30, 2020, a board member pledged \$2,500,000 to the University. The outstanding balance on the pledge is \$1,500,000 and \$2,000,000 as of June 30, 2021 and 2020, respectively.

Note 14 – Liquidity and Availability of Financial Resources

The total financial assets held by the University at June 30, 2021 and 2020, and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the consolidated statements of financial position are summarized in the following table as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at June 30, 2021		
Cash and cash equivalents	\$ 1,208,694	\$ 1,503,683
Investments at fair value	89,247,805	76,661,768
Accounts receivable (net)	707,859	195,680
Contributions receivable (net)	<u>4,155,082</u>	<u>3,432,598</u>
Total financial assets	95,319,440	81,793,729
Less: amounts not available to be used within one year, due to donor-imposed restrictions		
Contributions receivable (non-current portion)	3,298,374	2,023,800
Funds held for endowments	26,306,540	22,351,878
Funds held with other purpose or timing donor restrictions	<u>43,077,346</u>	<u>35,028,188</u>
Financial assets available to meet general expenditures within one year	<u>\$ 22,637,180</u>	<u>\$ 22,389,863</u>

American Jewish University

Notes to Consolidated Financial Statements

Note 14 – Liquidity and Availability of Financial Resources (continued)

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 part of the University's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The University has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and \$4,511,240 and \$3,465,026 of availability on a line of credit at June 30, 2021 and 2020, respectively. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers pledges restricted by time only and expected to be collected in the next fiscal year as available for general expenditures.

Note 15 – Subsequent Event

The University has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of June 30, 2021, for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through March 9, 2022, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred, except as noted in these consolidated financial statements.

On December 1, 2021, the University entered into a lease agreement to provide instruction and administration space to a third party at their Los Angeles County campus. The lease commences on August 15, 2022, and ends on June 15, 2023, with monthly payments of \$400,000.

On January 24, 2022, the University's Board of Directors voted to engage a broker to sell all or part of the University's campus located in Los Angeles County, California. The University will retain its campus in Ventura County, California.