KPMG

COLLEGE OF THE HOLY CROSS

Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

COLLEGE OF THE HOLY CROSS

Financial Statements

June 30, 2021 and 2020

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
College of the Holy Cross:

We have audited the accompanying financial statements of the College of the Holy Cross, which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the College of the Holy Cross as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Albany, New York
September 24, 2021

COLLEGE OF THE HOLY CROSS

Balance Sheets

June 30, 2021 and 2020

(In thousands)

Assets	**2021**	**2020**
Cash and cash equivalents	$ 106,594	125,945
Contributions receivable, net	56,111	65,066
Accounts and loans receivable, net	6,327	8,021
Long-term investments	1,051,837	767,567
Land, buildings, and equipment, net	389,214	346,692
Other assets	7,918	6,891
Total assets	$ 1,618,001	1,320,182
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 44,900	40,038
Deferred revenue and student deposits	5,715	6,364
U.S. government refundable advances	4,105	5,042
Split-interest obligations	3,853	3,807
Accrued pension obligation	8,897	20,335
Interest rate swap	8,153	10,833
Long-term debt	227,886	211,428
Total liabilities	303,509	297,847
Net assets:		
Without donor restrictions	644,641	498,848
With donor restrictions	669,851	523,487
Total net assets	1,314,492	1,022,335
Total liabilities and net assets	$ 1,618,001	1,320,182

See accompanying notes to financial statements.

COLLEGE OF THE HOLY CROSS

Statement of Activities

Year ended June 30, 2021
(With summarized information for the year ended June 30, 2020)

(In thousands)

	Without donor restrictions	With donor restrictions	Totals 2021	Totals 2020
Operating revenues:				
Tuition and fees, net	$ 99,827	—	99,827	106,520
Residence and dining fees, net	14,266	—	14,266	27,087
Student revenue	114,093	—	114,093	133,607
Contributions – annual fund	9,931	—	9,931	8,898
Other auxiliary enterprises	4,107	—	4,107	7,927
Other revenues	5,781	—	5,781	6,274
Operating revenues before nonoperating net assets used in operations	133,912	—	133,912	156,706
Nonoperating net assets used in operations:				
Long-term investment income used in operations	34,611	—	34,611	30,405
Restricted and designated net assets used in operations	9,355	—	9,355	6,289
Total operating revenues	177,878	—	177,878	193,400
Operating expenses:				
Salaries and wages	81,832	—	81,832	85,946
Employee benefits	26,215	—	26,215	29,246
Supplies, services, and other	41,654	—	41,654	50,703
Depreciation	18,370	—	18,370	17,758
Borrowing costs	6,969	—	6,969	6,377
Total operating expenses	175,040	—	175,040	190,030
Increase in net assets from operations	2,838	—	2,838	3,370
Nonoperating:				
Contributions	6,211	23,303	29,514	30,983
Net assets reclassified, donor imposed restrictions	(12,093)	12,093	—	—
Net gain (loss) on long-term investments	131,755	154,705	286,460	(280)
Net gain (loss) on interest rate swap	2,680	—	2,680	(2,652)
Nonoperating net assets used in operations	(43,966)	—	(43,966)	(36,694)
Net assets released from restrictions	43,595	(43,595)	—	—
Pension-related changes, other than net periodic benefit cost	13,932	—	13,932	(10,907)
Other components of net periodic pension cost	191	—	191	916
Other changes, net	650	(142)	508	606
Increase (decrease) in net assets from nonoperating activities	142,955	146,364	289,319	(18,028)
Increase (decrease) in net assets	145,793	146,364	292,157	(14,658)
Net assets, beginning of year	498,848	523,487	1,022,335	1,036,993
Net assets, end of year	$ 644,641	669,851	1,314,492	1,022,335

See accompanying notes to financial statements.

COLLEGE OF THE HOLY CROSS

Statement of Activities

Year ended June 30, 2020

(In thousands)

		Without donor restrictions	With donor restrictions	Total
Operating revenues:				
Tuition and fees, net	$	106,520	—	106,520
Residence and dining fees, net		27,087	—	27,087
Student revenue		133,607	—	133,607
Contributions – annual fund		8,898	—	8,898
Other auxiliary enterprises		7,927	—	7,927
Other revenues		6,274	—	6,274
Operating revenues before nonoperating net assets used in operations		156,706	—	156,706
Nonoperating net assets used in operations:				
Long-term investment income used in operations		30,405	—	30,405
Restricted and designated net assets used in operations		6,289	—	6,289
Total operating revenues		193,400	—	193,400
Operating expenses:				
Salaries and wages		85,946	—	85,946
Employee benefits		29,246	—	29,246
Supplies, services, and other		50,703	—	50,703
Depreciation		17,758	—	17,758
Borrowing costs		6,377	—	6,377
Total operating expenses		190,030	—	190,030
Increase in net assets from operations		3,370	—	3,370
Nonoperating:				
Contributions		19,696	11,287	30,983
Net loss on long-term investments		—	(280)	(280)
Net loss on interest rate swap		(2,652)	—	(2,652)
Nonoperating net assets used in operations		(36,694)	—	(36,694)
Net assets released from restrictions		18,636	(18,636)	—
Pension-related changes, other than net periodic benefit cost		(10,907)	—	(10,907)
Other components of net periodic pension cost		916	—	916
Other changes, net		444	162	606
Decrease in net assets from nonoperating activities		(10,561)	(7,467)	(18,028)
Decrease in net assets		(7,191)	(7,467)	(14,658)
Net assets, beginning of year		506,039	530,954	1,036,993
Net assets, end of year	$	498,848	523,487	1,022,335

See accompanying notes to financial statements.

COLLEGE OF THE HOLY CROSS

Statements of Cash Flows

Years ended June 30, 2021 and 2020

(In thousands)

		2021	2020
Cash flows from operating activities:			
Change in net assets	$	292,157	(14,658)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:			
Depreciation and accretion		17,266	16,515
Net realized and unrealized gains on investments		(286,460)	(133)
Contributions for long-term investment and facilities		(23,691)	(7,009)
Net (gain) loss on interest rate swap		(2,680)	2,652
Pension-related changes, other than net periodic benefit cost		(13,932)	10,907
Other components of net periodic pension cost		(191)	(916)
Decrease in operating assets, net		1,004	447
Increase in operating liabilities, net		8,144	6,459
Net cash (used in) provided by operating activities		(8,383)	14,264
Cash flows from investing activities:			
Net loans repaid by students and others		624	170
Purchase of land, buildings, and equipment		(62,200)	(49,903)
Proceeds from sale of short-term investments		—	37,739
Purchase of short-term investments		—	(11,263)
Proceeds from maturities and sale of long-term investments		571,861	279,003
Purchase of long-term investments		(569,671)	(253,473)
Net cash (used in) provided by investing activities		(59,386)	2,273
Cash flows from financing activities:			
Payments on long-term debt		(8,938)	(6,720)
Proceeds from long-term debt		—	60,000
Proceeds from commercial borrowing		26,500	—
Payment of debt issuance costs		—	(434)
Decrease in deposits with bond trustee		—	8
(Decrease) increase in U.S. government refundable advances		(937)	72
Proceeds from contributions for long-term investment		16,426	4,770
Proceeds from contributions for facilities		15,367	10,221
Net cash provided by financing activities		48,418	67,917
Net (decrease) increase in cash and cash equivalents		(19,351)	84,454
Cash and cash equivalents, beginning of year		125,945	41,491
Cash and cash equivalents, end of year	$	106,594	125,945
Supplemental data:			
Change in accounts payable for land, buildings, and equipment	$	(1,200)	6,592
Interest paid		7,988	6,780

See accompanying notes to financial statements.

(1) Background

The College of the Holy Cross (the College or Holy Cross), founded in 1843 by the second bishop of Boston, Benedict Joseph Fenwick, S.J., is a not-for-profit educational institution committed to educating men and women for others. As a Jesuit college, Holy Cross takes its place in a long tradition of Catholic education that has distinguished itself for intellectual rigor, high academic standards, and education of the whole person. As a liberal arts college, Holy Cross pursues excellence in teaching, learning, and research. Highly ranked nationally, Holy Cross has a community of approximately 3,100 students, situated on a 174-acre campus in Worcester, Massachusetts.

(2) Summary of Significant Accounting Policies

(a) Basis of Statement Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), have been prepared to focus on the College as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

(b) Classification of Net Assets

The College classifies resources into two net asset categories, without donor restrictions or with donor restrictions, based on the absence or existence of donor-imposed restrictions.

Without donor restrictions – Net assets not subject to donor-imposed stipulations and available for the general operations of the College. Such net assets may be designated by the College for specific purposes including to function as endowment funds.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the College or the passage of time. Items that affect this net asset category include gifts or unconditional pledges and the related investment returns on donor-restricted endowment funds, gifts or grants for capital assets not yet placed in service, and annuity and life income funds.

The College classifies the following portions of donor-restricted endowment funds as net assets with donor restrictions: (a) the original value of assets contributed to endowment funds, (b) subsequent contributions to such funds valued at the date of contribution, (c) investment return available for appropriation, and (d) reinvested earnings on endowment when specified by the donor.

(c) Statements of Activities

The statements of activities report the changes in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the College's undergraduate education program, grants for research conducted by academic departments, auxiliary enterprise activities, and contributions to the annual fund. Nonoperating net assets used in operations include endowment income appropriated by the College to support operating activities, amortization of contributions used to acquire or construct long-lived assets, and other nonoperating contributions expended in support of operations or made available for operations by virtue of the expiration of a time restriction.

Nonoperating activities include contributions received other than for the annual fund, investment return on short-term and long-term investments, contributions and grant income to fund long-lived assets, any gains or losses on debt-related derivative instruments, pension adjustments other than service cost, and miscellaneous items not related to the College's academic or research activities. To the extent nonoperating contributions, including amortization of contributions used for the acquisition or construction of long-lived assets, or long-term investment income are used in operations, they are reclassified as nonoperating net assets used in operations on the statements of activities. Donor-imposed restrictions on net assets previously without restriction are reported in nonoperating activities as net assets reclassified, donor-imposed restrictions.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions as follows:

- Student revenue from education, residence, and dining services are reflected net of institutional student aid and recognized as services are provided. To the extent such aid exceeds a student's tuition and fees, it is applied against residence and dining charges. Student aid of $62,489 and $65,887 was applied against published tuition and fees in fiscal years 2021 and 2020, respectively. Student aid of $1,738 and $1,662 was applied against resident and dining fees in fiscal years 2021 and 2020, respectively. Revenue from other exchange transactions, including from athletics and certain retail operations, is recognized when goods or services are transferred to customers.
- Contributions, including unconditional promises to give reported as contributions receivable, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions on the statement of activities. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.
- Contributions of land, buildings, or equipment are reported as nonoperating support without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as a donor-restricted gift until the related asset is placed in service, at which time the contribution is released from net assets with donor restrictions to net assets without donor restrictions. These contributions are subsequently amortized into operations over the estimated useful life of the acquired or constructed assets. This amortization, which amounted to $2,777 and $2,395 in fiscal years 2021 and 2020, respectively, is recorded in nonoperating net assets used in operations in the statements of activities.
- Other auxiliary service enterprise revenues include college retail operations, cash dining, catering, intercollegiate athletics, and graphic arts.

- Dividends, interest, and net gains on investments of endowment funds are reported as increases in net assets with donor restrictions if the terms of the gift require that they be added to the principal of an endowment fund or impose restrictions on the current use of the income or net gains; and as increases in net assets without donor restrictions in all other cases.

(d) Cash Equivalents

The College considers investments with maturities at date of purchase of three months or less to be cash equivalents, except that any such investments that are part of the endowment are classified as long-term investments.

(e) Fair Value Measurements

Short-term and long-term investments, deposits with bond trustee, investments held in a nonqualified deferred compensation plan, and the interest rate swap are reported at their respective fair values. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Except for investments reported at net asset value (NAV) or its equivalent as a practical expedient to estimate fair value, the College uses a three-tiered hierarchy to categorize those assets and liabilities carried at fair value based on the valuation methodologies employed. The hierarchy is defined as follows:

Level 1 – Valuation based on quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – Valuations based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Valuations based on unobservable inputs are used in situations in which little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The College utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability. Transfers between fair value categories are recognized at the end of the reporting period.

(f) Accounts and Loans Receivable

Accounts and loans receivable include amounts due from students and employees, as well as reimbursements due from sponsors of externally funded research.

(g) Land, Buildings, and Equipment

Constructed and purchased property and equipment are initially recorded at cost while property and equipment acquired by gift are initially recorded at estimated fair value. Expenditures for library books are charged to operations in the period acquired. Long-lived fixed assets, with the exception of land and artwork, are depreciated using the straight-line method over the assets' estimated useful lives.

(h) Other Assets

Other assets consist of prepaid expenses, inventories, and investments held in a nonqualified deferred compensation plan. Investments held in a nonqualified deferred compensation plan total $6,017 and $4,641 at June 30, 2021 and 2020, respectively, are considered Level 1 in the fair value hierarchy.

(i) Deferred Revenue and Student Deposits

Deferred revenue and student deposits are advance payments and enrollment deposits for the fall academic term. Deferred revenue is recognized ratably as revenue over the fall term beginning in August and ending in December as performance obligations are met.

(j) U.S. Government Refundable Advances

The College holds certain amounts advanced by the U.S. Government under the Federal Perkins Loan Program (the Program). Congressional authorization for this program ended in September 2017. The lack of renewal requires the federal share of amounts collected to be returned to the Department of Education as loans are repaid.

(k) Split-Interest Obligations

The College's split-interest obligations consist principally of charitable gift annuities and irrevocable charitable remainder trusts for which the College serves as trustee. Contribution revenue is recognized at the date a gift annuity or trust is established after recording a liability at the present value of the estimated future payments to be made to the beneficiaries. Liabilities are adjusted during the terms of the agreements to reflect payments to beneficiaries, returns on trust assets, accretion of discounts, and other considerations that affect the estimates of future payments.

(l) Use of Estimates

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

(m) Tax Status

The College is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal and state income taxes under Section 501(a) of the Code and applicable state laws. The College believes it has taken no significant uncertain tax positions.

(n) Recent Accounting Pronouncements

Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, issued by the Financial Accounting Standards Board (FASB) in February 2016 requires balance sheet recognition of lease assets and lease liabilities with a term exceeding 12 months. Effective July 1, 2020, the College adopted this ASU and its practical expedients prospectively. The College's adoption did not have a material effect on the College's financial statements.

(Continued)

(In thousands)

(o) Risks and Uncertainties

In March 2020, the World Health Organization recognized a novel strain of coronavirus (COVID-19) as a pandemic. As a result of the pandemic, during the years ended June 30, 2021 and 2020, the College experienced disruption to its ability to provide in-person education to its students, with the most significant financial statement impact being associated with a decline in residence and dining revenues. The duration and intensity of the impact of COVID-19 on the College's operations are uncertain and will depend on future developments, including the duration and spread of the outbreak.

(p) Reclassifications

Certain reclassifications have been made to prior-year amounts in order to conform to the current-year presentation.

(3) Financial Assets and Liquidity Resources

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt or contributions, were as follows:

		2021	2020
Financial assets:			
Cash and cash equivalents	$	45,721	50,157
Contributions receivable		816	905
Accounts receivable		491	1,562
Board-appropriated endowment spending		36,685	36,557
Total financial assets available within one year	$	83,713	89,181

The College's working capital and cash flows have seasonal variations during the year attributable to the timing of student billings and related collections and a concentration of contributions received at calendar and fiscal year-end. To manage liquidity, the College actively manages its resources using a combination of short- and long-term investment and borrowing strategies to align its cash inflows with anticipated outflows in accordance with policies approved by the Board of Trustees. Other resources available include lines of credit totaling $30,000 for working capital needs and $470,614 in funds designated by the Board of Trustees to function as endowment, which can be made available for general expenditure with approval from the Board of Trustees, subject to investment liquidity provisions, as well as $18,776 in cash and cash equivalents subject to donor restrictions. Funds subject to donor restrictions are an available resource provided those restrictions are met by actions of the College or the passage of time.

Liquidity resources for construction, in addition to those described above, include $5,970 in cash and cash equivalents from contributions subject to donor restrictions, $36,127 in taxable bond proceeds, and scheduled pledge payments of $22,141.

(In thousands)

(4) Contributions Receivable

Contributions receivable consist of the following at June 30:

		2021	2020
Unconditional promises expected to be collected in:			
Less than one year	$	25,973	28,741
One to five years		35,552	42,283
Thereafter		142	242
		61,667	71,266
Less allowances for uncollectible pledges and pledge discounts (0.07%–2.81%)		(5,556)	(6,200)
	$	56,111	65,066

(5) Accounts and Loans Receivable

Accounts and loans receivable consist of the following at June 30:

		2021			2020		
		Gross receivable	Allowance for doubtful accounts	Net receivable	Gross receivable	Allowance for doubtful accounts	Net receivable
Federal Perkins Loan program	$	3,688	(300)	3,388	4,755	(300)	4,455
Institutional loans		2,318	(75)	2,243	1,939	(75)	1,864
Accounts receivable		599	(108)	491	1,692	(130)	1,562
Other receivables		205	—	205	140	—	140
	$	6,810	(483)	6,327	8,526	(505)	8,021

Accounts and loans receivable are carried at estimated net realizable value. Management regularly assesses the adequacy of the allowance for doubtful accounts and balances are written off when deemed uncollectible.

Institutional loans represent uncollateralized loans to students based on financial need. These loans were funded by the Federal Perkins Loans Program through June 30, 2018.

(6) Investments

(a) Strategy

The investment objective of the College is to invest its assets prudently to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The

College's investment strategy incorporates a diversified asset allocation approach that maintains, within defined limits, exposure to equities, fixed income, real assets, and alternatives. Equities cover the U.S.; Global Ex-U.S., which includes both developed and emerging markets overseas; and Global, which includes U.S., developed, and emerging markets. Alternatives include both hedge funds and private equities. Hedge funds invest in a broad range of investments that are less correlated with broad equities markets. This includes long/short equity strategies, credit-oriented strategies, multistrategy funds where the manager has a broad mandate to invest opportunistically and event-driven funds where managers seek opportunity in various forms of arbitrage strategies as well as in corporate activities such as mergers and acquisitions. These funds may employ the use of leverage and derivatives to achieve their return. Private equity strategies include distressed investments, which includes entities involved in financial reorganizations or workout situations, buyout and venture capital, and fund of funds vehicles used to more broadly diversify the pool of investments. The real asset classification includes investments in public and private real estate, energy, and commodities.

The majority of the College's investments are managed in a pooled fund that consists primarily of endowment assets. Other investments are managed separately from the pool. These investments consist primarily of fixed income securities, principally government securities and money market funds held for the College's working capital needs, and various fixed income, equity, and real asset holdings associated with split-interest agreements and short-term investments.

(b) Reporting Basis

Investments are reported at estimated fair value. The values of publicly traded fixed income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of nonpublic traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted market values of the underlying securities.

Investments whose fair values are estimated using NAV or its equivalent as the practical expedient include shares or units in nonregistered investment funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable or not difficult to value. In addition, investments in marketable alternatives, absolute return, private equities and real assets, and certain equity and fixed income investments are valued using current estimates of fair value based upon the NAV of the fund as determined by the general partner or investment manager of the respective fund. These general partner valuations consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information.

The inputs or methodologies used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risks associated with those investments or a reflection of the liquidity of each fund's underlying assets or liabilities. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed and the differences could be material. The College has assessed the values provided by the external managers and believes the amounts reported represent reasonable estimates of fair value. The following table summarizes the valuation of investments as of June 30, 2021:

(In thousands)

	NAV	Level 1	Level 2	Level 3	Total
Long-term investments:					
Cash equivalents	$ —	85,359	—	—	85,359
Fixed income	27,293	39,015	—	—	66,308
Equities:					
U.S.	163,547	—	—	—	163,547
Global Ex-U.S.	152,518	—	—	—	152,518
Global	64,080	5,896	—	—	69,976
Alternatives:					
Hedge funds	192,198	—	—	—	192,198
Private equity	284,515	—	—	—	284,515
Real assets:					
Real estate	27,343	—	—	—	27,343
Other investments	—	619	—	906	1,525
Split-interest agreements	—	5,539	1,502	1,507	8,548
Total long-term investments	$ 911,494	136,428	1,502	2,413	1,051,837

The following table summarizes the valuation of investments as of June 30, 2020:

	NAV	Level 1	Level 2	Level 3	Total
Long-term investments:					
Cash equivalents	$ —	19,516	—	—	19,516
Fixed income	—	21,076	—	—	21,076
Equities:					
U.S.	165,252	—	—	—	165,252
Global Ex-U.S.	122,230	—	—	—	122,230
Global	19,272	24,765	—	—	44,037
Alternatives:					
Hedge funds	196,444	—	—	—	196,444
Private equity	164,453	—	—	—	164,453
Real assets:					
Real estate	25,887	—	—	—	25,887
Other investments	—	619	—	785	1,404
Split-interest agreements	—	4,159	1,602	1,507	7,268
Total long-term investments	$ 693,538	70,135	1,602	2,292	767,567

(In thousands)

(c) Commitments

Private equity and real asset investments are generally made through limited partnerships. Under the terms of these agreements, the College is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally between ten and fifteen years, and provide for annual one year extensions for the purpose of disposing portfolio positions and returning capital to the investors. However, depending on market conditions, the inability to execute the fund's strategy and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with private equity and real asset investments is approximately $104,100 as of June 30, 2021.

(d) Liquidity

Hedge funds and certain global equity and fixed income investments are redeemable at NAV under the terms of the subscription and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly, or annual redemption frequency typically require notice periods ranging from 30 to 180 days. The fair values of long-term investments as of June 30, 2021 are categorized based on redemption frequency as follows:

	Daily	Monthly	Quarterly	Annual	Illiquid	Total
Cash equivalents	$ 85,359	—	—	—	—	85,359
Fixed income	39,015	—	27,293	—	—	66,308
Equities	5,896	155,773	141,402	82,970	—	386,041
Alternatives	—	—	56,676	135,461	284,576	476,713
Real assets	—	—	—	—	27,343	27,343
Other investments	—	—	—	—	1,525	1,525
Split-interest agreements	—	—	—	—	8,548	8,548
Total	$ 130,270	155,773	225,371	218,431	321,992	1,051,837

Investments that are illiquid include lockups with definite expiration dates, restricted shares, side pockets, gates, or funds in liquidation, which have suspended normal liquidity terms, as well as private equity and real assets funds where the College has no liquidity terms until the investments are sold by the fund manager. The College has in liquidation $7,400 of such investments at June 30, 2021 for which it has not received cash. Investments associated with split-interest agreements have been categorized as illiquid because they are not available to support operations.

(7) Endowment

The College's endowment consists of approximately 900 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowment. Net assets associated with endowment funds, including funds designated by the

Board of Trustees to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Relevant Law

The Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) permits the Board of Trustees to exercise its discretion in determining the appropriate level of expenditure from a donor-restricted endowment fund in accordance with a set of guidelines about what constitutes prudent spending. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic dollar value. UPMIFA permits the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines to be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Seven criteria are to be used to guide the College in its yearly expenditure decisions: 1) duration and preservation of the endowment fund, 2) the purposes of the College and the endowment fund, 3) general economic conditions, 4) effect of inflation or deflation, 5) the expected total return from income and the appreciation of investments, 6) other resources of the College, and 7) the investment policy of the College.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. In accordance with appropriate accounting standards, the College classifies as net assets with donor restrictions (a) the original value of gifts donated as an endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds, which are available for expenditure until appropriated for spending by the Board of Trustees.

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no material deficiencies of this nature as of June 30, 2021 or 2020.

(c) Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. The primary investment objective of the endowment fund is to maintain and grow the fund’s real value by generating average annual real returns that meet or exceed the spending rate, after inflation, management fees, and administrative costs. Consistent with this goal, the Board of Trustees and the Investment Committee, a standing committee of the Board of Trustees, intend that the endowment fund be managed with an intention to maximize total returns consistent with prudent levels of risk and to reduce portfolio risk through asset allocation and diversification.

(Continued)

(In thousands)

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee of the College's Board of Trustees (the Committee) is responsible for establishing an asset allocation policy. The asset allocation policy is designed to attempt to achieve diversity among capital markets and within capital markets, by investment discipline and management style. The Committee designs a policy portfolio in light of the endowment's needs for liquidity, preservation of purchasing power, and risk tolerances.

The College targets a diversified asset allocation that places emphasis on investments in global equities, fixed income, real assets, private equity, and absolute return strategies to achieve its long-term return objectives within prudent risk constraints. The Committee reviews the policy portfolio asset allocation, exposures, and risk profile on an ongoing basis.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The College's spending policy is up to 5.0% of the endowment's fair value applied to a three-year moving average with a one-year lag. The amount appropriated for operations is $34,611 and $30,405 for the years ended June 30, 2021 and 2020, respectively.

In establishing these policies, the College considers the expected return on its endowment and its programming needs. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power and to provide a predictable and stable source of revenue to the annual operating budget. Additional real growth will be provided through new gifts, excess investment return, or additions designated by the Board of Trustees.

Changes in endowment net assets and net asset composition, not including pledges, consist of the following at June 30:

		2021		
		Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, June 30, 2020	$	347,610	412,689	760,299
Investment return		130,959	154,201	285,160
Contributions		—	10,353	10,353
Transfers designated by board		22,087	—	22,087
Net assets reclassified, donor-imposed restrictions		(12,093)	12,093	—
Appropriated for expenditure		(17,949)	(16,662)	(34,611)
Endowment net assets, June 30, 2021	$	470,614	572,674	1,043,288

(In thousands)

		2021		
		Without donor restrictions	**With donor restrictions**	**Total**
Composition of endowment net assets:				
Donor-restricted endowment funds	$	—	572,674	572,674
Board-designated endowment funds		470,614	—	470,614
Total endowment net assets	$	470,614	572,674	1,043,288

		2020		
		Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, June 30, 2019	$	362,238	423,614	785,852
Investment return		419	(182)	237
Contributions		—	4,144	4,144
Transfers designated by board		471	—	471
Appropriated for expenditure		(15,518)	(14,887)	(30,405)
Endowment net assets, June 30, 2020	$	347,610	412,689	760,299
Composition of endowment net assets:				
Donor-restricted endowment funds	$	—	412,689	412,689
Board-designated endowment funds		347,610	—	347,610
Total endowment net assets	$	347,610	412,689	760,299

The portion of the endowment net assets with donor restrictions that include (a) the original value of assets contributed to endowment funds, (b) subsequent contributions to such funds valued at the date of contribution, and (c) reinvested earnings on endowment funds when specified by the donor totaled $235,594 and $213,173 at June 30, 2021 and 2020, respectively.

(In thousands)

(8) Land, Buildings, and Equipment

The following is a summary of the College's land, buildings, and equipment as of June 30:

	Estimated lives		2021	2020
Land	—	$	5,862	5,862
Land improvements	20–30		50,955	48,775
Buildings	5–55		495,586	464,459
Equipment and furniture	5–20		73,342	74,001
Construction in progress	—		87,643	65,154
Artwork	—		1,306	1,306
			714,694	659,557
Less accumulated depreciation			(325,480)	(312,865)
		$	389,214	346,692

(9) Retirement Plans

The College's contributory retirement plan covers exempt employees. Participating employees contribute a minimum of 2% to a maximum of 5% of their base salary. The College makes a matching contribution equal to 10% of compensation up to the taxable wage base and 12% of compensation in excess of the taxable wage base. As part of its response to the COVID-19 pandemic, the College temporarily suspended matching contributions for nine months in fiscal year 2021. The College contributed $1,454 and $5,956, for the years ended June 30, 2021 and 2020, respectively.

The College's noncontributory defined-benefit retirement plan covers nonexempt employees. The College recognizes the funded status, the difference between the fair value of the plan assets and the projected benefit obligation, as an asset or liability in its balance sheet and recognizes the change in that funded status in the year in which the change occurred through changes in nonoperating net assets without donor restrictions.

The benefit obligation is determined by using a cash flow matching methodology that determines a single rate based on discounted projected cash flows for the plan. Each year, the projected cash flow is discounted at a spot rate that is appropriate for that maturity; the discount rate is the single equivalent rate that produces the same discounted present value.

(In thousands)

The following table sets forth the defined-benefit pension plan's obligations, fair value of plan assets, and funded status for the years ended June 30:

		2021	2020
Change in benefit obligation:			
Benefit obligation at beginning of year	$	90,420	79,528
Service cost		2,685	2,269
Interest cost		2,584	2,894
Benefits paid		(2,817)	(2,743)
Actuarial loss		400	8,472
Benefit obligation at end of year		93,272	90,420
Change in plan assets:			
Fair value of plan assets at beginning of year		70,085	70,453
Actual return on plan assets		17,107	1,375
Employer contribution		—	1,000
Benefits paid		(2,817)	(2,743)
Fair value of plan assets at end of year		84,375	70,085
Funded status – net obligation recognized in the balance sheets	$	(8,897)	(20,335)
Weighted average assumptions used to determine benefit obligations at June 30:			
Discount rate		2.82 %	2.90 %
Rate of compensation increase		3.50	3.50
Weighted average assumptions used to determine net periodic benefit cost for year ended June 30:			
Discount rate		2.90 %	3.70 %
Expected long-term rate of return on plan assets		6.50	6.75
Rate of compensation increase		3.50	3.50

The accumulated benefit obligation was $87,079 at June 30, 2021 and $84,591 at June 30, 2020. The benefits expected to be paid after June 30, 2021 are as follows: $3,314 in 2022, $3,478 in 2023, $3,638 in 2024, $3,788 in 2025, $3,995 in 2026, and aggregate benefits for years 2027 through 2031 are expected to be $22,668. The College plans to make a nonmandatory employer contribution of $1,000 for fiscal year 2022.

(In thousands)

The following table sets forth the components of net periodic benefit cost and the nonoperating charge (credit) reported in the statements of activities for the years ended June 30:

		2021	2020
Operating:			
Service cost – benefits earned	$	2,685	2,269
Total operating, included in employee benefit costs		2,685	2,269
Nonoperating:			
Interest cost on projected benefit obligation		2,584	2,894
Expected return on plan assets		(4,475)	(4,677)
Amortization of prior service credit		(197)	(197)
Recognized actuarial loss		1,897	1,064
Total other components of net periodic pension cost		(191)	(916)
Net periodic benefit cost		2,494	1,353
Changes recognized in nonoperating activities:			
Net (gain) loss arising during the year		(12,232)	11,774
Amortization of prior service credit		197	197
Recognized actuarial loss		(1,897)	(1,064)
Total recognized as nonoperating activities		(13,932)	10,907
Total recognized in the statements of activities	$	(11,438)	12,260

Amounts not yet reflected in net periodic benefit cost and included in the balance sheets are as follows:

		2021	2020
Accumulated net loss	$	(17,655)	(31,784)
Prior service credit		1,485	1,682
Accumulated other nonoperating loss		(16,170)	(30,102)
Accumulated contributions in excess of net periodic benefit cost		7,273	9,767
Net obligation recognized in the balance sheets	$	(8,897)	(20,335)

(In thousands)

The noncontributory defined-benefit retirement plan's investment policy includes the following asset allocation guidelines:

Cash and fixed income	20–45%
Domestic equities	7.5–35%
International equities	5–25%
Hedge funds	5–20%
Real assets	5–15%
Multiasset	5–20%

The investment strategy of the noncontributory defined-benefit retirement plan is to allocate assets among investment classes that will provide for stability and growth of plan assets in varying market environments. To that end, the plan has adopted policies that require each asset class to be diversified and that multiple managers with differing styles of management are employed. On a quarterly basis, the plan reviews progress toward achieving its and individual managers' performance objectives. The fair value of the College's defined-benefit retirement plan assets by asset class are as follows at June 30:

	2021		
	Level 1	**NAV**	**Total**
Cash and fixed income	$ 17,110	—	17,110
Domestic equities	20,933	—	20,933
International equities	2,864	17,653	20,517
Hedge funds	—	12,427	12,427
Real assets	8,176	—	8,176
Multiasset	5,212	—	5,212
	$ 54,295	30,080	84,375

	2020		
	Level 1	**NAV**	**Total**
Cash and fixed income	$ 19,817	—	19,817
Domestic equities	17,744	—	17,744
International equities	1,264	13,202	14,466
Hedge funds	—	9,671	9,671
Real assets	2,768	813	3,581
Multiasset	4,806	—	4,806
	$ 46,399	23,686	70,085

(Continued)

(In thousands)

The nonexchange traded investments above are valued using NAV and have monthly or quarterly liquidity with one to thirty-day notice requirements.

(10) Long-Term Debt

Long-term debt consists of the following at June 30:

	2021	2020
Tax-exempt bonds:		
Massachusetts Development Finance Agency Revenue Bonds:		
5.25%, 2002 Issue, maturing in 2032	$ 26,175	26,175
Floating Rate Revenue Bonds, 2008 Issue, Series A maturing serially through 2037	32,150	33,425
5%, 2016 Issue, Series A maturing serially beginning in 2019 through 2046	33,315	34,400
3–5%, 2017 Issue, Series A maturing serially beginning in 2018 through 2023	6,835	8,900
4–5%, 2018 Issue, Series A maturing serially beginning in 2019 through 2026	16,800	19,130
Taxable bonds and loans:		
Variable rate amortizing monthly beginning in 2020 with final payment due in 2026	46,817	22,500
3.433%, 2019 Issue, maturing in 2049	60,000	60,000
	222,092	204,530
Unamortized premium and issue cost, net	5,794	6,898
	$ 227,886	211,428

Maturities of long-term debt for the fiscal years after June 30, 2021 are as follows:

2022	$ 9,788
2023	10,209
2024	10,665
2025	8,631
2026	41,518
Thereafter	141,281
	$ 222,092

Interest expense charged to operations was $7,872 and $7,406 in 2021 and 2020, respectively. Cost of borrowing including interest, commitment fees, premium, and bond issue cost amortization was $6,969 and $6,377 in 2021 and 2020, respectively.

(Continued)

The Massachusetts Development Finance Agency Revenue Bonds are tax-exempt issues and are general obligations of the College. The floating or variable rate for the 2008 Issue, Series A is determined on a daily basis by the Remarketing Agent for each rate period to be the lowest rate, which in its judgment would permit the sale of the bonds. In the event that the variable rate for the immediately preceding day was not determined by the Remarketing Agent, or in the event that the variable rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to the Securities Industry and Financial Markets Association (SIFMA) Index made available for the week preceding the date of determination, or if such index is no longer available, or no such index was so made available for the week preceding the date of determination, 75% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal*. The interest rate on the 2008 Issue, Series A bonds may be converted to a fixed rate at the election of the College and upon the satisfaction of certain requirements. The average interest rate was 0.05% and 0.87% in 2021 and 2020, respectively.

In the event that the College receives notice of any optional tender on its variable rate bonds, or if the bonds become subject to mandatory tender, the purchase price of the bonds will be paid from the remarketing of such bonds. However, if the remarketing proceeds are insufficient, the College will have a general obligation to purchase the bonds tendered. The College maintains a direct-pay letter of credit with a commercial bank to provide alternative liquidity to support the repurchase of tendered variable rate bonds in the event that the bonds are unable to be remarketed. Financing obtained through a letter of credit facility to fund the repurchase of the bonds would bear interest rates different from those associated with the original bond issues. The credit facility in effect at June 30, 2021 expires in October 2024.

The College has one interest rate swap agreement related to the 2008 Issue, Series A bonds with a current notional amount of $32,150 that reduces at approximately the same rate as the outstanding principal amount of the bonds. The swap provides for the College to pay a fixed rate of 3.881% in exchange for the financial institution paying a variable rate equal to 68% of one-month USD LIBOR on the notional amount. Neither party has an obligation to post collateral with respect to the swap. However, in the event the College’s credit ratings were downgraded below a specified level, the counterparty could elect to terminate the swap, which could require a termination payment to the counterparty. The fair value of the liability associated with the swap was $8,153 and $10,833 as of June 30, 2021 and 2020, respectively. Because the swap fair value is based predominantly on observable inputs that are corroborated by market data, it is categorized as Level 2 for purposes of valuation disclosure.

In July 2020, the College borrowed $26,500 on its commercial taxable borrowing facility for a total draw of $49,000 to fund (i) capital costs in connection with a retreat/contemplative center; (ii) renovation and expansion of athletic facilities; (iii) renovation of existing facilities into a recreation and wellness complex, including fitness facilities, locker rooms, and office space; and (iv) construction, furnishing, and equipping of a performing arts center. Commencing in September 2020, the outstanding principal amount of the term loan amortizes monthly, based on a 180-month mortgage-style amortization schedule, assuming an interest rate of three percent (3%). The maturity date of the term loan is May 2026. The outstanding balance as of June 30, 2021 and 2020 was $46,817 and $22,500, respectively. During the draw period, which ended in September 2020, of the term loan the applicable interest rate is Daily London Inter-Bank Offered Rate (LIBOR) plus 0.49% and thereafter monthly LIBOR plus 0.49%. The average interest rate was 0.64% and 2.06% in 2021 and 2020, respectively.

(In thousands)

Issued in December 2019, the Trustees of the College of the Holy Cross Bonds are a taxable issue and are general obligations of the College. The bonds have a par call option beginning on September 1, 2029. Proceeds of the bonds will be used to finance various capital projects and to pay for the cost of issuing the bonds. Interest for the 2019 Series is payable semiannually.

At June 30, 2021, the College has an unsecured line of credit in the amount of $30,000 with a commercial bank primarily for working capital purposes. The interest rate is 0.60% plus daily LIBOR. The line of credit was not utilized during the years ended June 30, 2021 or 2020, and has no outstanding balance as of June 30, 2021 or 2020. The line of credit expires in one year and may be renewed.

(11) Composition of Net Assets

The College's net assets consist of the following at June 30:

		2021		2020	
		Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Undesignated, capital, and other	$	172,891	37,507	150,963	42,544
Contributions receivable		—	56,111	—	65,066
Endowment funds		470,614	572,674	347,610	412,689
Annuity and life income funds		1,136	3,559	275	3,188
Total net assets	$	644,641	669,851	498,848	523,487

Endowment funds without donor restrictions is comprised of amounts designated by the Board of Trustees to function as an endowment. Net assets with donor restrictions at June 30, 2021 and 2020 include $337,080 and $199,516, respectively, of appreciation on donor-restricted endowment funds, with approximately 60% available to support scholarships, 30% to support instruction costs, and the remainder available to support other purposes.

(12) Related Parties

Members of the College's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Trustees and senior management, the College requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the College. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the College and ensure compliance with relevant conflict of interest laws or policy.

(In thousands)

The College has investments in funds where members of the Board of Trustees serve as a manager, director, or partner. These investments include limited partnerships that provide investment management services for a portion of the College's absolute return portfolio and several funds for cash and cash equivalents. These investments were made in compliance with the College's conflict of interest policy. As of June 30, 2021, the College held $56,473 in these funds, which are included in the College's long-term investment portfolio. The College has an outstanding commitment of $7,727 to contribute or invest additional funds to these investments. The College took measures to mitigate any actual or perceived conflict, including requiring that these transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the College and in accordance with applicable conflict of interest laws.

(13) Expenses by Natural and Functional Classification

The College's primary program service is undergraduate instruction. Expenses reported as academic support, student services, institutional support, and auxiliary enterprises are incurred in support of this primary program activity. Expenses associated with the operation and maintenance of the College's plant assets and depreciation are allocated to functional categories based on square footage. Borrowing costs are allocated based on usage of debt-financed space.

Expenses associated with fundraising activities of the College were $7,298 and $8,333 in 2021 and 2020, respectively, and are included in institutional support.

Expenses by functional classification for years ended June 30 consist of the following:

	2021						
	Instruction	Academic support	Student services	Institutional support	Auxiliary services	Operation and maintenance of plant	Total expenses
Salaries and wages	$ 36,124	3,786	14,529	15,549	4,904	6,940	81,832
Employee benefits	11,254	1,173	4,625	4,999	1,552	2,612	26,215
Supplies, services, and other	2,752	6,352	7,621	12,733	4,249	7,947	41,654
Depreciation	4,565	725	6,053	1,391	5,636	—	18,370
Borrowing costs	3,190	49	1,570	753	1,407	—	6,969
Operation and maintenance of plant	3,914	939	3,643	661	8,342	(17,499)	—
Total operating expenses	$ 61,799	13,024	38,041	36,086	26,090	—	175,040

COLLEGE OF THE HOLY CROSS

Notes to Financial Statements

June 30, 2021 and 2020

(In thousands)

	2020						
	Instruction	Academic support	Student services	Institutional support	Auxiliary services	Operation and maintenance of plant	Total expenses
Salaries and wages	$ 36,132	4,210	15,441	15,488	7,274	7,401	85,946
Employee benefits	12,607	1,336	5,190	5,477	2,027	2,609	29,246
Supplies, services, and other	8,643	6,939	9,344	8,826	8,382	8,569	50,703
Depreciation	4,650	697	5,397	1,475	5,539	—	17,758
Borrowing costs	2,430	45	2,106	485	1,311	—	6,377
Operation and maintenance of plant	4,138	975	3,858	935	8,673	(18,579)	—
Total operating expenses	$ 68,600	14,202	41,336	32,686	33,206	—	190,030

Supplies, services, and other expenses include utilities and facility costs, professional services, meals and travel, food service, study abroad program costs, library and technology services, and other operating expenses.

(14) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2021 and through September 24, 2021, the date on which the financial statements were issued.