Financial Statements

Dean College

May 31, 2020 and 2019

MHM

DEAN COLLEGE

Financial Statements

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Financial Statements:

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Independent Auditors' Report

The Board of Trustees
Dean College
Franklin, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Dean College (the "College"), which comprise the statements of financial position as of May 31, 2020 and 2019, 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 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 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 Dean College as of May 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2020, the College adopted Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* Our opinion is not modified with respect to this matter.

Mayer Hoffman McCann P.C.

September 2, 2020
Boston, Massachusetts

DEAN COLLEGE

Statements of Financial Position

	May 31, 2020	May 31, 2019
Assets		
Cash and cash equivalents	$ 13,354,772	$ 5,107,682
Accounts receivable, less allowance for doubtful accounts of $572,000 and $681,000 in 2020 and 2019, respectively	981,982	311,578
Contributions receivable, net	104,542	160,082
Prepaid expenses and deposits	734,027	585,439
Student loans receivable, net	1,093,464	1,165,024
Other assets	505,048	515,080
Investments	49,068,112	46,630,654
Land, buildings and equipment, net	45,711,722	47,104,707
Total assets	**$ 111,553,669**	**$ 101,580,246**
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 874,151	$ 1,517,475
Accrued expenses	2,067,094	2,435,911
Deferred tuition and other deposits	2,473,715	1,107,479
Payroll protection program refundable	1,490,800	-
Line of credit	5,000,000	-
Obligations under interest rate swap contracts	8,648,885	5,268,337
Bonds payable, net	38,331,677	39,490,140
Perkins Loans refundable advances	1,012,185	1,034,211
Total liabilities	**59,898,507**	**50,853,553**
Net assets:		
Without donor restrictions:		
Board designated	33,357,162	33,134,212
Other	2,856,073	2,341,104
Without donor restrictions	**36,213,235**	**35,475,316**
With donor restrictions	15,441,927	15,251,377
Total net assets	**51,655,162**	**50,726,693**
Total liabilities and net assets	**$ 111,553,669**	**$ 101,580,246**

See accompanying notes to the financial statements.

DEAN COLLEGE

Statements of Activities
(with comparative totals for 2019)

	Year Ended May 31, 2020			*2019*
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Total*
Revenues, gains and other support:				
Tuition and fees	$ 49,888,549	$ -	$ 49,888,549	$ 47,665,440
Sales and service of auxiliary enterprises	13,787,342	-	13,787,342	17,142,537
Less: Institutional financial aid	(25,813,549)	-	(25,813,549)	(25,575,658)
	37,862,342	-	37,862,342	39,232,319
Government grants	3,620,660	-	3,620,660	562,737
Private gifts and grants	447,582	281,923	729,505	1,100,058
Investment return appropriated	1,527,339	546,357	2,073,696	1,947,805
Other income	497,724	857	498,581	578,239
Net assets released from restriction	1,240,230	(1,240,230)	-	-
Total operating revenues	**45,195,877**	**(411,093)**	**44,784,784**	**43,421,158**
Expenses:				
Program:				
Instruction	9,831,173	-	9,831,173	9,638,139
Academic support	4,148,988	-	4,148,988	4,131,213
Student services	12,209,859	-	12,209,859	12,205,497
Auxiliary enterprises	9,578,951	-	9,578,951	10,540,198
Total program expenses	**35,768,971**	**-**	**35,768,971**	**36,515,047**
Management, general and fundraising	5,531,459	-	5,531,459	5,895,486
Total expenses	**41,300,430**	**-**	**41,300,430**	**42,410,533**
Change in net assets from operations	3,895,447	(411,093)	3,484,354	1,010,625
Nonoperating (loss) income:				
Private gifts and grants	-	460,631	460,631	77,623
Investment return (loss), net of total return appropriated	222,950	141,012	363,962	(355,876)
Other interest income	70	-	70	2,098
Unrealized loss on interest rate swap contracts	(3,380,548)		(3,380,548)	(1,751,328)
Change in net assets from nonoperating activities	(3,157,528)	601,643	(2,555,885)	(2,027,483)
Total change in net assets	**737,919**	**190,550**	**928,469**	**(1,016,858)**
Net assets, beginning of year	35,475,316	15,251,377	50,726,693	51,743,551
Net assets, end of year	**$ 36,213,235**	**$ 15,441,927**	**$ 51,655,162**	**$ 50,726,693**

DEAN COLLEGE

Statement of Activities

	Year Ended May 31, 2019		
	Without Donor Restrictions	***With Donor Restrictions***	***Total***
Revenues, gains and other support:			
Tuition and fees	$ 47,665,440	$ -	$ 47,665,440
Sales and service of auxiliary enterprises	17,142,537	-	17,142,537
Less: Institutional financial aid	(25,575,658)	-	(25,575,658)
	39,232,319	-	39,232,319
Government grants	562,737	-	562,737
Private gifts and grants	503,191	596,867	1,100,058
Investment return appropriated	1,406,442	541,363	1,947,805
Other income	577,381	858	578,239
Net assets released from restriction	1,201,033	(1,201,033)	-
Total operating revenues	**43,483,103**	**(61,945)**	**43,421,158**
Expenses:			
Program:			
Instruction	9,638,139	-	9,638,139
Academic support	4,131,213	-	4,131,213
Student services	12,205,497	-	12,205,497
Auxiliary enterprises	10,540,198	-	10,540,198
Total program expenses	**36,515,047**	**-**	**36,515,047**
Management, general and fundraising	5,895,486	-	5,895,486
		-	
Total expenses	**42,410,533**	**-**	**42,410,533**
Change in net assets from operations	1,072,570	(61,945)	1,010,625
Nonoperating income:			
Private gifts and grants	-	77,623	77,623
Investment loss, net of total return appropriated	(222,787)	(133,089)	(355,876)
Other interest income	2,098	-	2,098
Unrealized loss on interest rate swap contracts	(1,751,328)	-	(1,751,328)
Change in net assets from nonoperating activities	(1,972,017)	(55,466)	(2,027,483)
Total change in net assets	**(899,447)**	**(117,411)**	**(1,016,858)**
Net assets, beginning of year	36,374,763	15,368,788	51,743,551
Net assets, end of year	**$ 35,475,316**	**$ 15,251,377**	**$ 50,726,693**

DEAN COLLEGE

Statements of Cash Flows

	Years Ended May 31, 2020	Years Ended May 31, 2019
Cash flows from operating activities:		
Change in net assets	$ 928,469	$ (1,016,858)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions and investment income restricted for long-term purposes	(515,717)	(77,622)
Depreciation	3,987,930	3,971,517
Amortization of bond issuance costs	17,496	17,493
Realized and unrealized gains on investments	(1,473,666)	(700,125)
Change in fair value of interest rate swap	3,380,548	1,751,328
Loss on disposal of building and equipment	6,504	17,720
Changes in operating assets and liabilities:		
Accounts and contributions receivable	(624,864)	157,165
Prepaid expenses and deposits	(148,588)	(139,049)
Other assets	10,032	174,771
Accounts payable	(556,080)	(478,081)
Accrued expenses	(368,817)	(5,765)
Deferred tuition and other deposits	1,366,236	(139,588)
Net cash provided by operations	**6,009,483**	**3,532,906**
Cash flows from investing activities:		
Purchase of building and equipment	(2,688,692)	(1,913,898)
Proceeds from disposal of equipment	-	30,227
Repayments of student loans, net	71,560	109,350
Investment securities purchased	(13,556,279)	(9,945,374)
Proceeds from sales of investment securities	12,592,486	10,353,410
Net cash used in investing activities	**(3,580,925)**	**(1,366,285)**
Cash flows from financing activities:		
Contributions and investment return, for endowment	200,717	87,285
Contributions for investment in plant	325,000	-
Repayments on bonds payable	(1,175,959)	(1,139,401)
Payroll protection program refundable	1,490,800	-
Borrowings on line of credit	5,000,000	-
Net change in Perkins Loans refundable advances	(22,026)	(5,341)
Net cash provided by (used in) financing activities	**5,818,532**	**(1,057,457)**
Net change in cash and cash equivalents	**8,247,090**	**1,109,164**
Cash and cash equivalents, beginning of year	5,107,682	3,998,518
Cash and cash equivalents, end of year	**$ 13,354,772**	**$ 5,107,682**

See accompanying notes to the financial statements.

Note 1 - Organization

Dean College (the "College") was founded as Dean Academy in 1865 with the financial assistance and enthusiastic support of Dr. Oliver Dean, a Franklin, Massachusetts native and local physician who was devoted to the education of young people. In 1941, Dean was chartered as a two-year college. Dean proudly reached a new milestone in its history in 1994, when its name was officially changed from Dean Junior College to Dean College.

Today the College is a private co-educational college with a full- and part-time student body from all over the United States and numerous foreign countries and is accredited by the New England Commission of Higher Education. The broad-based liberal arts curriculum at the College affords students the freedom to choose among the following on-campus degree options:

Two-Year Degree Options
- Associate in Arts and Associate in Science Degree Programs
  (full- and part-time)

Four-Year Degree Options
- Bachelor of Arts, Bachelor of Science and Bachelor of Fine Arts Degree Programs
  (full- and part-time)

The high standards set during the College's early years formed a tradition that is followed today. The College's future is based upon its long history of developing programs that meet the changing needs of its students.

The College participates in student financial aid programs sponsored by the United States Department of Education ("DOE"), which facilitates the payment of tuition and other expenses for a significant portion of its students.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

The College considers highly-liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. Such accounts are carried at cost plus accrued interest. Cash equivalents held by investment managers are considered part of investments given the expectation of near term reinvestment.

The College maintains its cash balances at several financial institutions, which at times may exceed federally insured limits. The College monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Included in cash equivalents are net assets with donor restrictions for specific purposes totaling approximately $1,686,000.

Note 2 - Summary of Significant Accounting Policies (Continued)

Student Accounts and Notes Receivable

Students are billed based on dates outlined in the academic catalog as agreed in advance of the delivery the related academic or auxiliary activity. Payments for tuition, fees and auxiliary enterprises charges are generally due by the start of the academic period with the recognition that on behalf payments being made by the DOE or others are subject to specific requirements within those programs as to when those funds can be availed. Certain DOE funding can be availed prior to the commencement of the academic period, while other amounts are paid are specified intervals based on the rules as promulgated by the DOE. Thus cash flows on accounts receivable balances and the measurement of deferred revenues do not directly depend on meeting specified performance obligations of the College. Student accounts are not collateralized.

Student accounts and loans receivable are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts is established based on historical experience which is reviewed and assessed periodically.

Perkins notes receivable represent amounts due from students associated with a DOE sponsored campus based loan program. The College shared funding of such resources creating a revolving loan fund in concert with funds from the DOE. Perkins notes in default that meet certain requirements can be assigned to the DOE which reduces the obligation for refundable U.S. government grants. The DOE has ended this program and as funds are collected such amounts will be returned to the DOE and the College as applicable based on original funding.

Other notes from the College to students are subject to routine credit risk. The College regularly evaluates the allowance for doubtful accounts by performing ongoing evaluations of the accounts and notes considering such factors as prior collection history, the economic environment and the type of receivable of note. Credit risk on the Perkins notes is mitigated given the ability to assign such loans to the DOE as outlined above. Management has omitted detailed disclosures given the modest amounts involved.

Contributions Receivable

Unconditional promises to give are recorded at fair value when initially pledged. The initially recorded fair value is considered a Level 2 approach. Initial recording for pledges expected to be collected in one year or more is arrived at by using the present value of a risk adjusted rate to account for the inherent risk associated with the expected future cash flows. Amortization of the discount is included in private gift and grant revenue. Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful collections. Management estimates the allowance by a review of historical experience and a specific review of collection trends that differ from the plan on individual accounts. Conditional promises to give are not included as support until the conditions are substantially met.

Investments

Investments are carried at fair value. Fair value is determined as per the fair value policies described later in this section.

Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment management expenses.

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments (Continued)

The investment objective of the College is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund its board approved spending policy and to increase investment values after inflation. Major investment decisions are authorized by the Investment Subcommittee of the Board of Trustees that oversees the College's investments mindful of diversification among asset classes.

Fair Value Measurements

The College reports required types of financial instruments in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted market prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The fair value standards also provide for a practical expedient of fair value allowing for the use of net asset value per share ("NAV") when certain requirements are met. Items reported at fair value on a recurring basis include investments and obligations under interest rate swap contracts. Non-recurring fair values include items such as the initial recording of pledges.

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories (but for those items valued at NAV) as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the College has the ability to access at measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible those changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

Note 2 - Summary of Significant Accounting Policies (Continued)

Land, Buildings and Equipment

Land, buildings and equipment are recorded when the useful life is over one year at cost when such amounts exceed a management established capitalization threshold. In the case of donated property such amount are recorded at fair value at the date of gift which would normally entail a Level 3 fair value assessment as per the fair value standards elsewhere in this section. Cost includes capitalized interest in the case of certain longer term construction projects. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets once placed into service.

Conditional Asset Retirement Obligations

The College applies the principles of accounting for conditional asset retirement obligations to its retirement obligations. Under these principles, the obligation to perform asset retirement activity may be unconditional even though uncertainty exists about the timing and (or) method of settlement. If such liabilities can be reasonably estimated, the College initially records such obligations at fair value. Subsequent considerations of these obligations are made based on changes in expected timing and cost; however, discount rates remain over the life of each obligation. The College has recorded a liability of approximately $651,000 and $627,000 at May 31, 2020 and 2019, respectively, for its estimated asset retirement obligations, which is included in accrued expenses.

Deferred Tuition and Other Deposits

Student deposits represent reservation deposits and other advance payments by students on account. Deferred revenue represents the amount of unearned related services that are in progress as of year-end related to net tuition, fees and auxiliary enterprises such as room and board. Such amounts are reflected as revenue ratably over time with such amounts generally being recognized on a current basis given the nature and duration of the underlying services being provided.

Obligation Under Interest Rate Swap Contracts

The College reports the value of its interest rate swaps at fair value with changes in fair value reflected in the statements of activities. Fair value is determined as per the fair value policies as described later in this section.

Bonds Payable

Bonds payable are reported at the face value of the remaining obligation under the related debt issue, net of the premium, discount and issuance costs. Premiums, discounts and issuance costs are amortized over the term of the related indenture.

Refundable U.S. Government Grants

Refundable advances represent amounts advanced from the DOE subject to certain adjustment associated with the Perkins program as discussed in the student accounts and notes section of these policies. Given the termination of this program, it is expected that such obligations will begin to be repaid as funds become available on collection of prior loans from students.

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Taxes

The College is a not-for-profit organization and is generally exempt from Federal and state income taxes on related income as described in Section 501(c)(3) of the Internal Revenue Code. Given the limited taxable activities of the College, management has concluded that disclosures related to tax provisions as not necessary.

Uncertain Tax Positions

The College accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The College has identified its tax status as a tax exempt entity and its determination of which revenues are related or unrelated to be its only significant tax positions; however, the College has determined that such tax positions do not result in uncertainties requiring recognition. The College is not currently under examination by any taxing jurisdictions. The College's Federal and state tax returns are generally open for examination for three years following the date filed.

Net Assets

The accompanying financial statements present information regarding the College's financial position and activities according based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. The Board of Trustees has designated net assets for endowment and other purposes from net assets without donor restrictions. This designation may be removed at the discretion of the Board of Trustees. Net assets without donor restriction also include the investment in plant, net of accumulated depreciation, related debt, and undesignated funds.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Gifts In Kind and Contributed Services

Contributed services are recognized as gifts in kind if the services received create or enhance non-financial assets or require specialized skills. Amounts recognized were approximately $20,000 and $21,000 for the years ended May 3, 2020 and 2019, respectively, and are included in private gifts and grants in the statements of activities.

A substantial number of volunteers contribute services to the College to assist with fundraising, admissions, recruiting and other activities. Pursuant to generally accepted accounting principles, no amounts have been recognized in the financial statements for these services.

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Operations

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assist is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor-imposed restrictions on net assets, such as the donor stipulated purposes has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions between the classes of net assets.

A substantial portion of the College's revenue is derived from tuition, fees and auxiliary revenue. Tuition, fees and auxiliary revenues are recognized as revenue when earned in the period in which the services are provided.

Estimates

The preparation of financial statements in conformity with GAAP 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.

Operating and Non-operating Activity

The statements of activities report the changes in without donor restricted and with donor restricted assets from operating and non-operating activities. Without donor restricted operating revenues consist of those items attributable to the College's primary mission of providing education. Investment return appropriated included in operations reflects the amount computed using the spending policy for the period as approved by the Board of Trustees. All other investment income or losses are reported as non-operating revenue. Operating revenue also includes contributions received related to annual fund support and support of College operations while all other contributions and releases from restrictions to be used for long-term purposes are classified as non-operating. The College also considers gains and losses on interest rate swap contracts, other expenses, and reclassifications as non-operating.

Functional Expense Allocation

The cost of providing various programs and support services have been summarized on a functional basis in The Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Depreciation expense for buildings and occupancy costs have been allocated based on square footage of facilities. Depreciation for equipment is allocated based on the location and use of the equipment. Benefits are allocated to program and support based on salaries. Other institutional costs, such as information technology, are allocated to the functional classifications based on best estimate of time and effort using the full-time equivalent numbers of employees. Direct supervision and activity are used to allocate management salaries and benefits to the various programs.

Subsequent Events

The College has evaluated subsequent events through September 2, 2020, the date the financial statements were available to be issued.

Note 2 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The College adopted Accounting Standards Update ("ASU") No. 2018-08*, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.*

The contribution standard addresses inconsistency in revenue recognition when an item should be considered a contribution or an exchange type transaction. Exchanges would be accounted for using the revenue recognition standards above. It also provides guidance as to when a contribution should be considered conditional which, for example, the case is often when funds are received under federal grants and contracts. Conditional contributions have different revenue recognition when compared to non-reciprocal transfers of resources in that amounts are reflected as earned when barriers to entitlement are overcome with any difference being deferred or a receivable as applicable.

The contribution standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of the beginning of fiscal year 2019. The impact related to the adopting of the new standard did not have material impact on 2019 results. In evaluating the effects of the change, contributions in process as of the date of adoption were considered. As such no disclosures have been provided on the effect on the May 31, 2019 financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* This update provides a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update is effective for the College's May 31, 2021 financial statements. This update permits the use of either the retrospective or cumulative effect transition method. The College is evaluating the effect this ASU will have on its financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. This update is intended to improve financial reporting of leasing transactions. The update requires entities to recognize assets and liabilities for leases with lease terms of more than 12 months. The ASU also requires qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases and is effective for the College's May 31, 2022 financial statements. The College is evaluating the effect this update will have on its financial statements and related disclosures.

Reclassification

Certain reclassifications have been made to the 2019 financial statements in order to conform to the current presentation. Such reclassifications had no effect on net changes in net assets.

Note 3 - Liquidity of Financial Resources

The College regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The College has various sources of liquidity at its disposal, including cash, marketable debt and equity securities within its investments and a line of credit.

Note 3 - Liquidity of Financial Resources (Continued)

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing activities of furthering the mission of the College. In addition to the financial assets available to meet general expenditures over the next 12 months, the College operates with a surplus and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the College's cash and shows positive cash generated by operations for the years ended May 31, 2020 and 2019.

Although not expected to be needed, the spendable yet restricted portion of the College's net assets could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

The following tables show the total financial assets held by the College and the amounts of those financial assets available within one year of the Statement of Financial Position date to meet general expenditures at May 31, 2020:

Financial assets at year end:		
Cash and cash equivalents	$	13,354,772
Accounts receivable, net		981,982
Contribution receivable, net		104,542
Investments		49,068,112
Total financial assets at year end	**$**	**63,509,408**
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents	$	13,354,772
Accounts receivable, net		981,982
Endowment spending rate distribution and appropriations		2,240,000
Total financial assets available to meet general expenditures over the next 12 months	**$**	**16,576,754**

In addition, the College has available approximately $33,300,000 of board designated funds which are eligible to be spent on operations, if needed, upon approval by the Board of Trustees of the College.

Note 4 - Contributions Receivable

The majority of contributions receivable is expected to be received within the next two years. Reserves and discounts were not significant based on short expected collection periods and past favorable collection. Contributions receivable with due dates extending beyond one year are discounted using a risk adjusted discount rate. These rates ranged from 2.5% to 4.0% at May 31, 2020 and 2019, respectfully.

Note 5 - Other Assets

Other assets consist of the following at May 31:

		2020		2019
Cash surrender value life insurance policies	$	354,021	$	309,921
Retirement account		-		100,000
Other assets		151,027		105,159
	$	**505,048**	**$**	**515,080**

Note 6 - Fair Value Measurements

The following tables present financial assets at May 31, 2020 and 2019, that the College measures fair value on a recurring basis, by level, within the fair value hierarchy:

	2020				
	Level 1	*Level 2*	*Level 3*	*Investments Measured at NAV*	*Total*
Assets:					
Investments:					
Cash and cash equivalents	$ 340,913	$ -	$ -	$ -	$ 340,913
Equity funds:					
Domestic equity funds	18,204,656	-	-	-	18,204,656
International equity funds	9,598,249	-	-	-	9,598,249
Bond funds	11,353,080	-	-	-	11,353,080
Asset allocation fund	2,011,969	-	-	-	2,011,969
Other funds:					
Hedge funds	-	-	-	1,919,555	1,919,555
Private equity	-	-	-	5,639,690	5,639,690
Total assets at fair value	**$ 41,508,867**	**$ -**	**$ -**	**$ 7,559,245**	**$ 49,068,112**
Liabilities:					
Interest rate swaps	$ -	$ 8,648,885	$ -	$ -	$ 8,648,885
Total liabilities at fair value	**$ -**	**$ 8,648,885**	**$ -**	**$ -**	**$ 8,648,885**

Note 6 - Fair Value Measurements (Continued)

	2019				
	Level 1	*Level 2*	*Level 3*	*Investments Measured at NAV*	*Total*
Assets:					
Investments:					
Cash and cash equivalents	$ 154,394	$ -	$ -	$ -	$ 154,394
Equity funds:					
Domestic equity funds	19,093,750	-	-	-	19,093,750
International equity funds	10,124,531	-	-	-	10,124,531
Bond funds	8,769,702	-	-	-	8,769,702
Asset allocation fund	2,304,416	-	-	-	2,304,416
Other funds:					
Hedge funds	-	-	-	1,921,123	1,921,123
Private equity	-	-	-	4,262,738	4,262,738
Total assets at fair value	**$ 40,446,793**	**$ -**	**$ -**	**$ 6,183,861**	**$ 46,630,654**
Liabilities:					
Interest rate swaps	$ -	$ 5,268,337	$ -	$ -	$ 5,268,337
Total liabilities at fair value	**$ -**	**$ 5,268,337**	**$ -**	**$ -**	**$ 5,268,337**

Unfunded commitments under various investment vehicles amounted to approximately $4,442,000 at May 31, 2020.

At May 31, 2020, $1,919,555 of the investments measured at NAV have redemption periods of 90 days or less and $5,639,690 have redemption periods of over 90 days.

Management has no intentions or plans to liquidate any NAV practical expedient investments at other than NAV per share.

Appropriations from its investment funds will be approximately $2,240,000 for 2021 which management expects to fund from normal liquidity in its portfolio.

Note 7 - Land, Buildings and Equipment

Land, buildings and equipment consists of the following at May 31:

	2020	*2019*
Land and land improvements	$ 7,970,843	$ 7,942,193
Buildings and improvements	81,114,870	80,364,794
Furniture and equipment	14,147,756	12,640,026
Construction in progress	543,734	532,827
	103,777,203	101,479,840
Accumulated depreciation	58,065,481	54,375,133
Land, buildings and equipment, net	**$ 45,711,722**	**$ 47,104,707**

The College disposed of approximately $304,000 and $370,000 in fully and partially depreciated equipment that was no longer in use in 2020 and 2019, respectively.

Note 8 - Debt

Line of Credit

The College has available a $5,000,000 unsecured line of credit expiring in November 2020. All advances under this agreement bear an interest rate determined by the London Inter-Bank Offer Rate (“LIBOR”) plus 250 basis points. The College had borrowing of $5,000,000 at May 31, 2020. There were no borrowings against the line as of May 31, 2019. Management expects to renew the line of credit under similar terms.

Note 8 - Debt (Continued)

Bonds Payable

Bonds payable consist of the following at May 31:

		2020		2019
Obligations under MDFA Variable Rate Revenue, Series 2008 Bonds, payable at variable rates of interest based on 79% of the sum of LIBOR plus 140 basis points, resetting monthly, (for an actual rate of 1.4% and 3.0% at May 31, 2020 and 2019, respectively) with maturities through June 11, 2038.	$	22,315,000	$	23,050,000
Obligations under MDFA Variable Rate Revenue, Series 2011 Bonds ("Series 2011 Bonds"), payable at variable rates of interest based on 79% of the sum of LIBOR plus 140 basis points, resetting monthly, (for an actual rate of 1.4% and 3.0% at May 31, 2020 and 2019, respectively) with maturities through October 1, 2041.		12,280,495		12,623,105
Obligations under MDFA Revenue, Series 2015 Bonds ("Series 2015 Bonds"), payable at a fixed interest rate equal to 3.32% per annum at May 31, 2020 and 2019 with maturities through September 3, 2045.		4,043,676		4,142,025
		38,639,171		39,815,130
Less: unamortized bond issuance costs		(307,494)		(324,990)
Bonds payable, net	**$**	**38,331,677**	**$**	**39,490,140**

The bond agreements contain certain covenants, the most restrictive of which are semi-annual debt service coverage and leverage ratios. The bonds are supported by a pledge of all receivables and all other receipts, revenues, interest income and other monies received by the College as defined in the Amended and Restated Security Agreement dated September 25, 2013 and Loan and Trust Agreements dated September 1, 2015 and May 30, 2018. The bonds are currently held by a financial institution (“Bond Owner”) under a Bond Purchase Agreement (“Agreement”). Under the Agreement, the bonds are subject to tender for mandatory purchase of which the first date is September 2028 for the Series 2008 Bonds, Series 2011 Bonds and Series 2015 Bonds unless in each case such tender is waived by the Bond Owner not less than 180 days prior to the Purchase Date. At the end of the Agreement, the College will be required to replace this Agreement with either its current financial institution or another suitable partner absent a full refinancing or pay off of the existing bonds.

Note 8 - Debt (Continued)

Bond Issuance Costs

Bond issuance costs represent costs incurred in connection with the issuance of bonds payable and are amortized over the period the bonds are outstanding. Bond issuance costs of approximately $551,000 for the years ended May 31, 2020 and 2019, respectively, are included in Bonds and notes payable net of accumulated amortization of approximately $244,000 and $226,000 and May 31, 2020 and 2019, respectively. Amortization expense amounted to approximately $18,000 for the years ended May 31, 2020 and 2019.

Mandatory principal payments on bonds payable for the next five years and thereafter are as follows:

2021	$ 1,229,545
2022	1,283,511
2023	1,338,266
2024	1,393,505
2025	1,455,268
Thereafter	31,939,076
	$ 38,639,171

Interest expense totaled approximately $1,667,000 and $1,702,000 for the years ended May 31, 2020 and 2019, respectively.

Note 9 - Derivative Instruments

The College uses interest rate swaps to manage interest rate risk exposure. The College's interest rate swaps seek to mitigate exposure to interest rate risk, primarily through converting portions of floating rate debt under the bond agreement to a fixed rate basis. These agreements involve the receipt or payment of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amounts. The College does not enter into derivative instruments for trading or speculative purposes.

Each of the College's interest rate swaps have been recorded as liabilities in the statements of financial position at fair value. Changes in fair value are recorded as gains or losses on swap contracts in the period incurred.

As a result of the use of derivative instruments, the College is exposed to risk that the counterparties will fail to meet their contractual obligation. To mitigate the counterparty risk, the College only enters into contracts with selected major financial institutions based upon their credit ratings and other factors, and continually assesses the creditworthiness of counterparties. At May 31, 2020 and 2019, all of the counterparties to the College's interest rate swaps had investment grade ratings. To date, all counterparties have performed in accordance with their contractual obligations. The College's swaps contain no credit risk-related contingent features nor do the swaps contain provisions under which the College has, or would be required, to post collateral.

Note 9 - Derivative Instruments (Continued)

The College had the following swaps outstanding at May 31:

2020

Notional Amount	Termination Date	Interest Rate Received	Interest Rate Paid	Fair Value
$ 14,505,000	October 1, 2038	USD-LIBOR-BBA x 0.79 (2.0%)	3.44%	$ 4,469,341
7,810,000	April 1, 2031	USD-LIBOR-BBA x 0.79 (2.0%)	3.20%	1,833,448
12,280,495	May 30, 2028	USD-LIBOR-BBA x 0.79 (2.0%)	3.04%	2,346,096
$ 34,595,495				**$ 8,648,885**

2019

Notional Amount	Termination Date	Interest Rate Received	Interest Rate Paid	Fair Value
$ 14,985,000	October 1, 2038	USD-LIBOR-BBA x 0.79 (2.0%)	3.44%	$ 2,745,105
9,765,000	April 1, 2031	USD-LIBOR-BBA x 0.79 (2.0%)	3.20%	1,110,680
12,787,300	May 30, 2028	USD-LIBOR-BBA x 0.79 (2.0%)	3.04%	1,412,552
$ 37,537,300				**$ 5,268,337**

Note 10 - Net Assets and Endowment Matters

Net Assets Without Donor Restrictions

Net assets without donor restrictions are comprised of the following:

Net investment in land, buildings and equipment - The value of buildings and equipment net of depreciation, used in the College's operations. This amount is offset by outstanding liabilities related to the assets, such as bonds payable.

Board-designated - Funds set aside by the Board of Trustees for strategic purposes and to provide investment income to support operations. These amounts may only be used with the approval of the Board of Trustees. Investment income appropriated net of permanently restricted gifts that has not been withdrawn from investments is added to board designated funds.

Other - Discretionary funds available for carrying on the operating activities of the College.

Note 10 - Net Assets and Endowment Matters (Continued)

Net Assets With Donor Restrictions

Donor restricted net assets are comprised of the following at May 31:

Purpose restricted - Amounts received with donor restrictions, which have not yet been expended for their designated purposes.

Unrealized and realized gains on Corpus - In accordance with accounting principles generally accepted in the United States of America and Massachusetts state law, these amounts represent unappropriated gains on donor restricted endowment investments.

Corpus - In accordance with accounting principles generally accepted in the United States of America and Massachusetts state law, these amounts represent gifts provided to the College, held in perpetuity as a donor restricted endowment investments.

Scholarships - Amounts restricted by donors against any expenditure of principal. Substantially all of the income earned on principal is to be used for scholarships.

College Support - Amounts restricted by donors against any expenditure of principal. Substantially all of the income earned on principal is to be used for support of the College.

Instruction and Academic Support - Amounts restricted by donors against any expenditure of principal. Substantially all of the income earned on principal is to be used for instruction and academic support.

Auxiliary - Amounts restricted by donors against any expenditure of principal. Substantially all of the income earned on principal is to be used for various purposes.

Note 10 - Net Assets and Endowment Matters (Continued)

The following represents net assets with donor restriction as of May 31:

		2020		***2019***
Purpose restricted gifts:				
Scholarships	$	112,575	$	111,367
Instruction and academic support		1,014,257		1,405,402
General		216,534		197,739
Capital improvements		342,830		17,830
Contribution receivable		99,211		139,161
		1,785,407		1,871,499
Accumulated unpsent gains:				
Scholarships		5,575,034		5,500,134
College support		685,583		678,447
Instruction and academic support		169,397		165,626
Auxiliary		4,024		3,907
		6,434,038		6,348,114
Corpus:				
Scholarships	$	6,153,187	$	5,965,168
College support		513,481		510,782
Instruction and academic support		540,370		530,370
Auxiliary		15,444		15,444
Contribution receivable		-		10,000
		7,222,482		7,031,764
Total net assets with donor restriction	**$**	**15,441,927**	**$**	**15,251,377**

Net assets were released from donor restrictions as follows during the years ended May 31:

		2020		***2019***
Scholarships	$	575,252	$	643,724
Instruction and academic support		590,409		459,593
General		69,860		89,070
Auxiliary		4,709		8,646
Operating		1,240,230		1,201,033
Total net assets released	**$**	**1,240,230**	**$**	**1,201,033**

Note 10 - Net Assets and Endowment Matters (Continued)

The following represents required disclosures relative to the composition of endowment assets and those functioning as endowment assets for the years ended May 31, 2020 and 2019:

2020	***Without Donor Restriction***	***With Donor Restriction***	***Total***
Endowment assets and those functioning as endowment assets, beginning of year	$ 33,134,212	$ 13,369,878	$ 46,504,090
Contributions and additions	-	145,630	145,630
Investment return, net	1,750,289	687,369	2,437,658
Expenditures:			
Amounts appropriated for expenditure	(1,527,339)	(546,357)	(2,073,696)
Change in endowment assets and those functioning as endowment assets	222,950	286,642	509,592
Endowment assets and those functioning as endowment assets, end of year	**$ 33,357,162**	**$ 13,656,520**	**$ 47,013,682**

2019	***Without Donor Restriction***	***With Donor Restriction***	***Total***
Endowment assets and those functioning as endowment assets, beginning of year	$ 31,673,821	$ 13,415,683	$ 45,089,504
Contributions and additions	1,900,000	87,285	1,987,285
Investment return, net	966,833	408,273	1,375,106
Expenditures:			
Amounts appropriated for expenditure	(1,406,442)	(541,363)	(1,947,805)
Change in endowment assets and those functioning as endowment assets	1,460,391	(45,805)	1,414,586
Endowment assets and those functioning as endowment assets, end of year	**$ 33,134,212**	**$ 13,369,878**	**$ 46,504,090**

Note 10 - Net Assets and Endowment Matters (Continued)

Endowment

The College's endowment consists of approximately 120 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting standards, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law and Spending Policy

The Board of Trustees of the College has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") signed into law in the state of Massachusetts requiring the preservation of the original value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original gift value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

State law allows the Board of Trustees to appropriate a percentage of net asset appreciation as is prudent considering the College's long- and short-term needs, present and anticipated financial requirements, and expected total return on investments, price level trends, and general economic conditions. The College's endowment spending policy is computed based on 5% of the quarterly three-year rolling average market value. The College also avails itself to draw on its Board-designated funds using the same computational approach.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. There were no funds with deficiencies at May 31, 2020 and May 31, 2019.

Return Objectives and Risk Parameters

The College's investment portfolio is managed to provide for the long-term support of the College. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flows and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed-upon levels of risk. It is the goal of the aggregate long-term investments to generate an average total annual return that exceeds the spending/payout rate plus inflation.

Note 10 - Net Assets and Endowment Matters (Continued)

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 College targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the College seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Note 11 - Benefit Plans

The College has a defined contribution retirement plan (the "Plan") covering all employees. Employees are eligible for the employer contributions upon completion of one year of employment and 1,000 hours of service during the plan year. Employees must be employed on the last day of the Plan year to receive the employer contributions which are determined as a percentage of pay. A match is offered for contributions made by employees up to certain limits and payable upon earning. Contributions to the Plan were approximately $793,000 and $760,000 for the years ended May 31, 2020 and 2019, respectively.

The College has two nonqualified deferred compensation plans (the "Plans") for the benefit of the President. The College contributed a total of approximately $20,000 and $118,000 in 2020 and 2019, respectively. The College has recorded a liability of approximately $0 and $100,000 for the years ended May 31, 2020 and 2019, respectively, for its estimated deferred compensation liability, which is included in accrued expenses.

Note 12 - Commitments and Contingencies

Legal

Various legal cases arise in the normal course of the College's operations. The College believes that there are currently no outstanding cases, which would have a material adverse effect on the financial position of the College.

Leases

The College leases certain of its equipment under operating lease arrangements that expire at various dates through 2025. Certain leases allow for purchase of the underlying assets at the fair market value at the end of the lease. Lease expense is recorded on the straight-line basis over the lease term and includes pass through costs for operating expenses when allowed. Lease expense was approximately $651,000 and $600,000 for the years ended May 31, 2020 and 2019, respectively.

Note 12 - Commitments and Contingencies (Continued)

Leases (Continued)

Minimum future rental payments under non-cancelable operating leases are as follows:

Year ended May 31,		
2021	$	599,000
2022		393,000
2023		188,000
2024		76,000
2025		22,000
Total minimum future rental payments	**$**	**1,278,000**

Dean College leases office space and received approximately $129,000 and $142,000 during fiscal years 2020 and 2019, respectfully. All leases are currently under a month to month agreement.

Prepaid Tuition Program

The College participates in the Massachusetts College Savings Prepaid Tuition Program. This program allows participants to lock in tuition prices by limiting future increases to the changes in CPI plus 2%. This could result in discounts on tuition charged to students in the future.

Employment Agreement

The College has a long-term employment agreement with its President that stipulates a variety of business terms typical in the education sector.

Other

All funds expended by the College in connection with government grants are subject to review or audit by governmental agencies. In addition, the College has any number of regulators/oversight bodies that from time-to-time inspect the records and activities of the College. The College believes that these matters would not have a material adverse effect on the College.

The College has a long-term agreement with its food service provider through May 31, 2024 at which time the contract shall continue until terminated by either party.

The College is party to an arrangement under which they receive various advertising and education related program services. Such arrangement runs through 2024 however it can be terminated by either party based on certain events.

Note 12 - Commitments and Contingencies (Continued)

Other (Continued)

The College participates in a self-insured health insurance captive ("Captive") in order to manage its health insurance costs. As a participant in the Captive, the College is liable for its pro-rata share of any Captive losses. Any Captive gains or losses will be allocated to the members at the end of the year. The Captive has purchase reinsurance for itself to limit claims to the capital provided by the members. The College cannot be allocated any more in claims than this initial capital contribution. Specific to the College's plan a stop-loss insurance policy is in force providing coverage for claims in excess of $75,000 per participant in a calendar year. An accrual of $75,000 was recorded for benefit claims incurred but not reported at May 31, 2020.

Management is currently unable to accurately forecast the future impact on attendance patterns resulting from the Coronavirus (COVID-19) pandemic which could impact the quantity of students, the course loads taken by students, the mode of delivery, price levels trends and the utilization of residence halls and other facilities of the College on a forward basis. The effects of these matters could impact the future results of operations. Based on information available through the date of this report, management has noted that while losses are expected for the upcoming fiscal year due to the continued suspension of in-person learning, cash reserves in the endowment and other sources of grants received will help to continue to fund operating activities for the upcoming fiscal year.

The College applied for and received a forgivable Paycheck Protection Loan of approximately $3,400,000 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 23, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through October 8, 2020 and that certain employment levels are maintained. To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due in April 2022, and carries an interest rate of 1%. Through May 31, 2020, the College has used approximately $1,900,000 of the proceeds on qualified costs and such amount has been reported as grant revenue with an offsetting reduction to the payroll protection program refundable on the statement of financial position. The College anticipates using all of the proceeds for eligible costs and expects the entire loan to be forgiven. A formal request for forgiveness will be submitted after the performance period outlined above.

Note 13 - Natural Classification of Expenses

Expenses presented by natural classification and function are as follows for the year ended May 31:

2020

	Instruction and Academic Support	*Student Services*	*Auxiliary Enterprises*	*Management & General*	*Fundraising*	*Total*
Salaries	$ 7,362,328	$ 5,017,380	$ 681,351	$ 1,625,713	$ 680,069	$ 15,366,841
Employee benefits	1,773,799	1,315,926	127,154	486,950	186,427	3,890,256
Professional fees	596,761	423,440	650,415	502,078	218,194	2,390,888
Advertising and promotion	168,687	1,300,480	-	345,537	-	1,814,704
Interest expense	132,093	20,014	1,480,634	34,670		1,667,411
Information technology	823,770	544,194	39,278	126,388	70,837	1,604,467
Occupancy	1,104,821	783,007	2,650,139	168,783	68,198	4,774,948
Depreciation	1,309,927	606,050	1,786,334	195,486	90,133	3,987,930
Dining services	-	115,927	2,115,268	-	-	2,231,195
Grants to students	-	530,500	-	-	-	530,500
Other	707,975	1,552,941	48,378	625,677	106,319	3,041,290
	$ 13,980,161	**$ 12,209,859**	**$ 9,578,951**	**$ 4,111,282**	**$ 1,420,177**	**$ 41,300,430**

2019

	Instruction and Academic Support	*Student Services*	*Auxiliary Enterprises*	*Management & General*	*Fundraising*	*Total*
Salaries	$ 7,204,602	$ 4,954,687	$ 729,560	$ 1,845,837	$ 637,089	$ 15,371,775
Employee benefits	1,547,251	1,304,799	136,778	573,213	200,385	3,762,426
Professional fees	597,351	452,037	693,556	453,218	264,229	2,460,391
Advertising and promotion	219,585	1,422,761	-	308,893	-	1,951,239
Interest expense	160,968	24,273	1,516,833	-	-	1,702,074
Information technology	826,430	511,104	60,924	149,480	49,868	1,597,806
Occupancy	1,245,795	885,907	3,038,201	118,803	90,704	5,379,410
Depreciation	1,312,190	592,550	1,764,545	208,540	93,692	3,971,517
Dining services	6,128	109,812	2,564,352	-	-	2,680,292
Other	649,052	1,947,567	35,449	789,261	112,274	3,533,603
	$ 13,769,352	**$ 12,205,497**	**$ 10,540,198**	**$ 4,447,245**	**$ 1,448,241**	**$ 42,410,533**

Note 14 - Cash Flows Information

Cash paid for interest totaled approximately $1,720,000 and $1,686,000 for the years ended May 31, 2020 and 2019, respectively.

Non-cash investing activities include $25,169 and $112,413 of capital assets included in accounts payable at May 31, 2020 and 2019, respectively.