



Emmanuel College's financial statements, independent auditor's unqualified opinion, and footnotes for the years ended June 30, 2022 (FY22) and June 30, 2021 (FY21) are presented in the following pages. In order to present some highlights and an outlook related to the College's financial operations, management prepared this discussion and analysis.

During the year ended FY22, the College's financial results on the Statement of Activities reflect the negative effects of the COVID-19 pandemic. In FY22, the financial results were driven by the combination of unfavorable operating results and negative investment returns experienced in the College's investment portfolio. Operationally, the College was impacted by both the competitive industry environment and the lingering challenges posed by the pandemic. While investment returns had a negative impact on FY22 financial results, this follows a year in which the investment portfolio experienced outsized gains.

The following financial summary explains recent challenges encountered, accomplishments achieved, and trends experienced by the College:

- In FY22, total revenue increased by \$11.5 million year-over-year (YoY). The increase is driven by a \$12.4 million YoY increase in revenue from auxiliary operations as the number of students living on campus increased from FY21. In FY21, the College had de-densified the campus in order to protect the health and the safety of its students, faculty, and staff.
- In FY22, total expenses increased by \$13.5 million YoY. The increase is driven by the combination of higher room and board expenses associated with more students living on campus and other operational expenses normalizing, following the cost savings initiatives implemented in FY21.
- In FY22, the College received \$1.8 million from the Massachusetts Emergency Management Agency (MEMA). All funds received from MEMA were reimbursements for expenses incurred by the College related to COVID-19 and the safe opening of the College for students, faculty, and staff. In FY21, the College received \$4.1 million in institutional aid from the government via Higher Education Emergency Relief Fund (HEERF) and Coronavirus Aid, Relief, and Economic Security Act (CARES) grants.
- In FY22, total non-operating activities were (\$20.9 million). \$6.6 million in contributions was offset by (\$27.4 million) in investment earnings. In FY21, total non-operating activities were \$33.5 million. \$2.6 million in contributions was complemented by \$30.9 million in investment earnings.
- The outstanding principal on the College's 2016 Massachusetts Development Finance Agency (MDFA) bond was \$177 million as of June 30, 2022 and \$181 million as of June 30, 2021. During FY22 and FY21, the debt service on the bond was \$12 million.

- The College finances its debt service through the residential and dining revenue generated by its 18 story St. Julie Hall.
- The College has a lease agreement with Massachusetts College of Pharmacy and Health Sciences (MCPHS) for rooms in St. Julie Hall. The lease payments from MCPHS totaled \$3.9 million during FY22 and \$3.8 million during FY21.
- During FY22, the College's undergraduate nursing program experienced its third successful year and the nursing program's second cohort began its clinical work. Following the completion of the College's new nursing lab in FY21, the College's vision to provide on-campus, experiential learning opportunities for nursing students is now a reality.
- The College's facilities have been well-maintained, regularly renovated, and tremendously enhanced over the past 25+ years. As a result, there is very little deferred maintenance on the College's campus buildings.
- The College has a \$161 million endowment as of June 30, 2022, which is a \$26.7 million decrease YoY due to market declines. Although the College does not intend to spend from its board-designated endowment funds other than the amounts approved by the Board of Trustees for operations, additional resources are available to the College if necessary. The College's donor restricted endowment funds are used primarily to fund scholarships and financial aid.
- Looking ahead to FY23, the College is optimistic about its future. As concerns about the COVID-19 pandemic begin to fade, the College is experiencing an increase in enrollment and an increase in the number of students living on campus. For FY23, undergraduate enrollment is budgeted for 1,775. Initial residency for the fall semester is 1,400 students.

The College is located next to the Longwood Medical Area and is a central part of the City of Boston's Fenway neighborhood. The College's location provides it with access to resources that are unavailable to suburban and rural institutions. The College's campus is a major draw for students desiring a small campus experience in the heart of Boston.

Emmanuel College will continue its mission to provide a Catholic education reflecting the charism of the Sisters of Notre Dame de Namur to students in the heart of Boston for many years to come.

Cordially,



Sr. Anne M. Donovan, SNDdeN
Vice President of Finance/Treasurer



EMMANUEL COLLEGE

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Trustees
Emmanuel College:

Opinion

We have audited the financial statements of Emmanuel College (the College), which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

Boston, Massachusetts
September 29, 2022

EMMANUEL COLLEGE

Statements of Financial Position

June 30, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	\$ 4,422,417	5,757,247
Student accounts receivable, net (note 4)	481,548	210,471
Contributions receivable, net (note 4)	3,500,770	1,084,762
Other assets	2,779,713	881,629
Student loans receivable, net (notes 4 and 14)	1,219,936	1,449,752
Long-term investments (notes 5 and 6)	160,956,937	187,652,794
Land, buildings, and equipment, net (note 7)	270,846,883	278,061,507
Total assets	<u>\$ 444,208,204</u>	<u>475,098,162</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,006,868	5,695,676
Student deposits and deferred revenue	3,822,153	3,467,374
Long-term debt, net (note 9)	188,902,378	193,420,498
Refundable U.S. government grants (note 14)	1,714,905	1,855,903
Total liabilities, excluding deferred lease revenue	200,446,304	204,439,451
Deferred lease revenue (note 10)	89,828,627	91,190,052
Total liabilities, including deferred lease revenue	<u>290,274,931</u>	<u>295,629,503</u>
Commitments (notes 8 and 15)		
Net assets:		
Without donor restrictions	105,270,187	129,855,707
With donor restrictions (note 12)	48,663,086	49,612,952
Total net assets	<u>153,933,273</u>	<u>179,468,659</u>
Total liabilities and net assets	<u>\$ 444,208,204</u>	<u>475,098,162</u>

See accompanying notes to financial statements.

EMMANUEL COLLEGE

Statement of Activities

Year ended June 30, 2022

	2022		
	Without donor restrictions	With donor restrictions	Total
Revenues:			
Tuition and fees, net (includes scholarships, grants, and other aid of \$42,100,554)	\$ 32,583,151	—	32,583,151
Auxiliary operations, net (includes scholarships grants, and other aid of \$2,048,840)	18,118,173	—	18,118,173
Student service revenue, net	50,701,324	—	50,701,324
Contributions	1,860,052	—	1,860,052
Government and other private grants	3,123,440	—	3,123,440
Investment earnings authorized for operations (notes 5 and 6)	6,639,391	1,668,190	8,307,581
Leases and contracts (notes 8 and 10)	5,359,070	—	5,359,070
Other income, net	1,800,996	—	1,800,996
Net assets released from restrictions (note 13)	1,668,190	(1,668,190)	—
Total revenues	71,152,463	—	71,152,463
Expenses:			
Instruction	21,253,182	—	21,253,182
Academic support	5,661,102	—	5,661,102
Student services	13,327,516	—	13,327,516
Institutional support	15,867,765	—	15,867,765
Fundraising	1,828,790	—	1,828,790
Auxiliary operations	17,875,151	—	17,875,151
Total expenses	75,813,506	—	75,813,506
Change in net assets from operating activities	(4,661,043)	—	(4,661,043)
Nonoperating:			
Contributions	—	6,562,939	6,562,939
Net assets released from restrictions for capital (note 13)	672,841	(672,841)	—
Investment earnings, net, reinvested/designated for current operations (notes 5 and 6)	(20,597,318)	(6,839,964)	(27,437,282)
Total nonoperating activities	(19,924,477)	(949,866)	(20,874,343)
Change in net assets	(24,585,520)	(949,866)	(25,535,386)
Net assets as of beginning of year	129,855,707	49,612,952	179,468,659
Net assets as of end of year	\$ 105,270,187	48,663,086	153,933,273

See accompanying notes to financial statements.

EMMANUEL COLLEGE

Statement of Activities

Year ended June 30, 2021

	2021		
	Without donor restrictions	With donor restrictions	Total
Revenues:			
Tuition and fees, net (includes scholarships, grants, and other aid of \$39,521,660)	\$ 33,882,001	—	33,882,001
Auxiliary operations	5,749,640	—	5,749,640
Student service revenue, net	39,631,641	—	39,631,641
Contributions	1,419,369	—	1,419,369
Government and other private grants	5,100,768	—	5,100,768
Investment earnings authorized for operations (notes 5 and 6)	6,206,474	1,262,059	7,468,533
Leases and contracts (notes 8 and 10)	5,197,008	—	5,197,008
Other income, net	794,623	—	794,623
Net assets released from restrictions (note 13)	1,262,059	(1,262,059)	—
Total revenues	59,611,942	—	59,611,942
Expenses:			
Instruction	17,445,484	—	17,445,484
Academic support	5,117,634	—	5,117,634
Student services	10,730,092	—	10,730,092
Institutional support	13,628,414	—	13,628,414
Fundraising	1,681,465	—	1,681,465
Auxiliary operations	13,738,586	—	13,738,586
Total expenses	62,341,675	—	62,341,675
Change in net assets from operating activities	(2,729,733)	—	(2,729,733)
Nonoperating:			
Contributions	—	2,568,215	2,568,215
Net assets released from restrictions for capital (note 13)	6,117,653	(6,117,653)	—
Investment earnings, net, reinvested/designated for current operations (notes 5 and 6)	22,795,517	8,109,449	30,904,966
Total nonoperating activities	28,913,170	4,560,011	33,473,181
Change in net assets	26,183,437	4,560,011	30,743,448
Net assets as of beginning of year	103,672,270	45,052,941	148,725,211
Net assets as of end of year	\$ 129,855,707	49,612,952	179,468,659

See accompanying notes to financial statements.

EMMANUEL COLLEGE

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (25,535,386)	30,743,448
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	10,444,958	10,210,415
Amortization of bond premium	(787,056)	(787,056)
Amortization of deferred lease revenue	(1,361,426)	(1,361,426)
Net realized and unrealized losses (gains) on investments	21,749,392	(36,270,305)
Contributions restricted for long-term investment	(1,981,898)	(1,190,278)
Change in student accounts receivable, net	(271,077)	219,874
Change in contributions receivable, net	(2,416,008)	(393,754)
Noncash contributions	(685,388)	(680,076)
Change in other assets	(1,898,084)	(321,395)
Change in accounts payable and accrued expenses	149,252	(487,792)
Change in student deposits and deferred revenue	354,779	(506,609)
Change in refundable U.S. government grants	(140,998)	(174,279)
Net cash used in operating activities	(2,378,940)	(999,233)
Cash flows from investing activities:		
Sales of investments	129,151,254	248,320,176
Purchases of investments	(123,519,400)	(239,945,186)
Change in student loans receivable, net	229,816	313,919
Additions to land, buildings, and equipment	(3,004,458)	(7,598,467)
Net cash provided by investing activities	2,857,212	1,090,442
Cash flows from financing activities:		
Contributions restricted for long-term investment	1,981,898	1,190,278
Principal payment on long-term debt	(3,795,000)	(3,660,000)
Net cash used in financing activities	(1,813,102)	(2,469,722)
Net change in cash and cash equivalents	(1,334,830)	(2,378,513)
Cash and cash equivalents as of beginning of year	5,757,247	8,135,760
Cash and cash equivalents as of end of year	\$ 4,422,417	5,757,247
Supplemental disclosures:		
Cash paid for interest	\$ 8,187,791	8,319,128
Change in accounts payable for land, buildings and equipment	161,940	(693,637)

See accompanying notes to financial statements.

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

(1) Organization

Emmanuel College (the College), located in Boston, Massachusetts, educates students in a dynamic co-educational learning environment shaped by a liberal arts and sciences curriculum that emphasizes career development. As a Catholic college, the College prepares students with the skills to succeed in tomorrow's world and the social conscience to make a difference in that world. The College's education is rooted in strong human values and continues to reflect the founding educational mission of the Sisters of Notre Dame de Namur (the Sisters) who opened the College in 1919.

(2) Summary of Significant Accounting Policies

(a) Basis of Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus on the College as a whole and to present balances and transactions according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions: Net assets are not subject to donor stipulations restricting their use but may be designated for specific purposes by the College or may be limited by contractual agreements with outside parties.

With donor restrictions: Net assets are subject to donor stipulations that expire with the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows, discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as revenue until such time as the conditions are substantially met. All contributions are considered to be available for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions. When a qualifying expenditure occurs or a time restriction expires, net assets with donor restrictions are recognized as "net assets released from restrictions" in the statement of activities. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions.

Furthermore, dividends, interest, and realized and unrealized gains on long-term investments are reported as follows:

- Increases in net assets with donor restrictions if the terms of the contribution require these to be added to the principal;
- Increases in net assets with donor restrictions if the terms of the contribution, or the College's interpretation of relevant state law, imposes restrictions on the use of the income and gains; or
- Increases in net assets without donor restrictions in all other cases.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

(b) Operations

The statements of activities report the change in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the College's academic programs and auxiliary enterprises. Total student service revenue consists of charges for tuition and fees, housing, and dining. Such revenue is presented at transaction prices, which are determined based on standard published rates for the services provided, less any scholarships and aid awarded by the College to qualifying students. Scholarships, grants, and other aid awarded for tuition, fees, and housing amounted to \$44,149,394 and \$39,521,660 for the years ended June 30, 2022 and 2021, respectively.

Appropriated endowment income, including gains, of the College's with donor restriction endowment used in support of current-year operations are reported as operating revenue. All other investment income is reported as nonoperating revenue. Contributions for capital assets which and contributions that are not expended for operations in the year received, are reported as nonoperating revenue; all other contributions without donor restrictions are reported as operating revenue.

(c) 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, except any such investments that are part of the College's endowment, which are reported as long-term investments.

(d) Investments

All long-term investments have been reported in the financial statements at their current fair value. The fair value of publicly traded securities is based upon quotes from the principal exchanges on which the security is traded. The net increase or decrease in realized and unrealized appreciation in the fair value of such investments has been included in the statement of activities in the appropriate net asset classification.

(e) Student Deposits and Deferred Revenue

Student deposits, along with advance payments for tuition, room, and board related to the next semester, have been deferred and will be reported as revenue without donor restrictions when realized.

(f) Income Taxes

The College generally is not subject to income taxes since it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, permits an entity to recognize the benefit and requires accrual of an uncertain tax position only when the position is "more-likely-than-not" to be sustained in the event of examination by tax authorities. In evaluating whether a tax position has met the recognition threshold, the College must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. ASC Topic 740 also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. Tax positions deemed to meet the "more-likely-than-not" threshold are recorded as a tax expense in the current year.

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

The College has analyzed all open tax years, defined by the statutes of limitations, for all major jurisdictions. Open tax years are those that are open for exam by taxing authorities. Major jurisdictions for the College include Federal and the Commonwealth of Massachusetts. As of June 30, 2022, open Federal and Massachusetts tax years for the College include the tax years ended June 30, 2017 through June 30, 2019. The College has no examinations in progress. The College believes it has no significant uncertain tax positions.

(g) 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, as of 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.

(h) Land, Buildings, and Equipment

Land, buildings, major plant renovations and major repairs, and equipment are stated at cost at the date of acquisition or renovation, or at fair value as of the date of donation in the case of a contribution. Minor renovations and repairs are charged to operations and maintenance as incurred. Depreciation of plant and equipment is computed on a straight-line basis over the expected lives of the respective assets.

Interest expense on debt used to finance construction has been added to the cost of the asset, net of any income earned on temporarily invested debt proceeds during construction.

(i) Bond Discount, Premiums, and Issuance Costs

Unamortized bond discounts, premiums, and issuance costs are being amortized through the final maturity date of the respective bond issue.

(j) Fair Value of Financial Instruments

The College discloses fair value information about all financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Cash and cash equivalents, accounts and contributions receivable, and accounts payable are carried at net realizable value, which approximates fair value. The fair values of all other financial assets and liabilities are disclosed in the accompanying notes.

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. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities
- Level 2 – Observable prices that are based on inputs not quoted in active markets, but corroborated by market data
- Level 3 – Unobservable inputs are used when little or no market data is available.

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Levels are determined based on the aforementioned hierarchy. The College has no investments that are valued using Level 3 inputs.

(k) Leases

The College has leases under which it is obligated as a lessee and leases for which it is a lessor.

The College determines if an arrangement is, or contains, a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. Operating lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. Lease right-of-use assets represent the College's right to use an underlying asset for the lease term. Lease obligations, included in accounts payable and accrued expenses, represent the College's liability to make lease payments arising from the lease. At the time of recognition of a lease liability and corresponding right-of-use asset, the incremental borrowing rate is determined using interest rates applicable to the College. Right-of-use assets related to operating leases are included in other assets, and the related lease obligation is in the statement of financial position. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Rental income arising from operating leases as a lessor is included in operating revenue in leases and contracts in the statement of activities.

(l) Reclassifications

Certain reclassifications have been made to 2021 information to conform to the 2022 presentation.

(3) Liquidity and Availability of Resources

As of June 30, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capitalized construction costs not financed with debt, were as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,422,417	5,757,247
Contributions receivable, net	104,250	—
Amount due to endowment	(319,883)	(545,034)
Student accounts receivable, net	481,548	509,326
Board approved endowment appropriation for following year	<u>8,461,452</u>	<u>8,188,041</u>
Total financial assets and liquidity resources available within one year	<u>\$ 13,149,784</u>	<u>13,909,580</u>

The College's Board of Trustees determines and implements the spending policy for the College's endowment. The College's current long-term investment spending policy is a maximum of 5% of the

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

average fair value of the endowment over the prior three years. Under the provision of the spending rule, for fiscal years 2022 and 2021, the endowment appropriation was \$8,307,581 and \$7,468,533, respectively. Additionally, the College has board-designated endowment funds of \$121,280,548 as of June 30, 2022. Although the College does not intend to spend from its board-designated endowment funds other than the amounts appropriated for operations, additional amounts could be available, if necessary.

The College's cash flows have seasonal variations attributable to the timing of tuition billing and contributions received. The College projects future liquidity requirements and corresponds the amounts and duration of investments with the projected liquidity need.

(4) Receivables

(a) Student Accounts and Student Loans

Student accounts receivable are net of an allowance for uncollectible accounts of \$503,829 and \$446,885 as of June 30, 2022 and 2021, respectively.

Student loans receivable are net of an allowance for uncollectible loans of \$181,000 as of June 30, 2022 and 2021.

(b) Contributions

Contributions receivable as of June 30 are composed of the following:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 1,982,329	398,479
One to five years	2,455,364	1,034,534
Over five years	<u>230,000</u>	<u>—</u>
	4,667,693	1,433,013
Less present value discount and allowance for uncollectible pledges	<u>(1,166,923)</u>	<u>(348,251)</u>
Contributions receivable, net	<u><u>\$ 3,500,770</u></u>	<u><u>1,084,762</u></u>

Contributions receivable have been discounted at rates of approximately 5%.

(5) Long-Term Investments

Basis of Reporting

Investments are reported at estimated fair value. If an investment is held directly by the College and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Reported fair values for shares in mutual funds registered with the U.S. Securities and Exchange Commission are based on share prices reported by the funds as of the last business day of the College's fiscal year. Investments are redeemable daily on one to seven days' notice.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

The following tables summarize the College's investments by major category in the fair value hierarchy as of June 30, 2022 and 2021, as well as related strategy:

	June 30, 2022		
	Level 1	Level 2	Total
Long-term investment strategies:			
Fixed income	\$ 47,817,863	926,585	48,744,448
Global (ex-U.S.) fixed income	13,248,836	—	13,248,836
Domestic equities	71,512,511	300,005	71,812,516
Global (ex-U.S.) equities	20,798,323	363,778	21,162,101
Cash equivalents	5,989,036	—	5,989,036
Total investments	<u>\$ 159,366,569</u>	<u>1,590,368</u>	<u>160,956,937</u>

	June 30, 2021		
	Level 1	Level 2	Total
Long-term investment strategies:			
Fixed income	\$ 43,930,167	1,172,623	45,102,790
Global (ex-U.S.) fixed income	14,982,923	—	14,982,923
Domestic equities	100,286,664	920,206	101,206,870
Global (ex-U.S.) equities	10,250,315	—	10,250,315
Cash equivalents	16,109,896	—	16,109,896
Total investments	<u>\$ 185,559,965</u>	<u>2,092,829</u>	<u>187,652,794</u>

The following table summarizes the investment return for the years ended June 30:

	2022	2021
Realized net gains	\$ 8,225,880	21,561,205
Unrealized net (losses) gains	(29,975,272)	14,709,100
Interest and dividends	3,380,470	2,781,543
Total return, net of fees	<u>\$ (18,368,922)</u>	<u>39,051,848</u>

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

The following table is a reconciliation of total investment return to amounts reported in the statements of activities for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Long-term investment return utilized – operating activities	\$ 8,307,581	7,468,533
Long-term investment return in excess of amounts utilized – nonoperating activities	<u>(26,676,503)</u>	<u>31,583,315</u>
Total return, net of fees	<u>\$ (18,368,922)</u>	<u>39,051,848</u>

Total investment management and advisory fees were \$760,779 and \$678,349 for the years ended June 30, 2022 and 2021, respectively.

(6) Endowment

The College's endowment consists of approximately 118 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 College follows the principles of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Under UPMIFA, the governing board has discretion to determine appropriate expenditures of a donor-restricted endowment fund in accordance with a robust set of guidelines about what constitutes prudent spending. 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. 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. There is an expectation that, over time, the historic-dollar-value amount will remain intact.

In accordance with appropriate accounting standards, the College classifies net assets with donor restrictions (a) the original value of gifts donated to the endowment with donor restrictions, (b) the original value of subsequent gifts to the endowment with donor restrictions, and (c) accumulated appreciation on donor-restricted endowment funds, which are available for expenditure by the Board of Trustees.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

Endowment net asset composition by type of fund consists of the following at June 30, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Instruction	\$ —	6,188,991	6,188,991
Student aid	—	33,380,633	33,380,633
Other	—	106,765	106,765
	<u>—</u>	<u>39,676,389</u>	<u>39,676,389</u>
Board-designated endowment funds	<u>121,280,548</u>	<u>—</u>	<u>121,280,548</u>
Total endowed net assets	\$ <u><u>121,280,548</u></u>	<u><u>39,676,389</u></u>	<u><u>160,956,937</u></u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2021	\$ 142,579,479	45,073,315	187,652,794
Investment return:			
Investment income	2,524,796	855,674	3,380,470
Net loss	<u>(15,906,038)</u>	<u>(5,843,354)</u>	<u>(21,749,392)</u>
Total investment return	(13,381,242)	(4,987,680)	(18,368,922)
Contributions	—	1,981,898	1,981,898
Fees	(576,684)	(184,095)	(760,779)
Appropriation of endowment assets for capital and other	(1,240,473)	—	(1,240,473)
Appropriation of endowment assets for expenditure	<u>(6,100,532)</u>	<u>(2,207,049)</u>	<u>(8,307,581)</u>
Endowment net assets, June 30, 2022	\$ <u><u>121,280,548</u></u>	<u><u>39,676,389</u></u>	<u><u>160,956,937</u></u>

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

Endowment net asset composition by type of fund consists of the following at June 30, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Instruction	\$ —	6,992,986	6,992,986
Student aid	—	37,959,702	37,959,702
Other	—	120,627	120,627
	—	45,073,315	45,073,315
Board-designated endowment funds	142,579,479	—	142,579,479
Total endowed net assets	\$ <u>142,579,479</u>	<u>45,073,315</u>	<u>187,652,794</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2020	\$ 123,402,273	35,675,130	159,077,403
Investment return:			
Investment income	2,120,318	661,225	2,781,543
Net gain	27,403,036	8,867,269	36,270,305
Total investment return	29,523,354	9,528,494	39,051,848
Contributions	150,215	1,190,278	1,340,493
Fees	(521,363)	(156,986)	(678,349)
Appropriation of endowment assets for capital	(3,670,068)	—	(3,670,068)
Appropriation of endowment assets for expenditure	(6,304,932)	(1,163,601)	(7,468,533)
Endowment net assets, June 30, 2021	\$ <u>142,579,479</u>	<u>45,073,315</u>	<u>187,652,794</u>

(b) Funds with Deficiencies

From time to time, the fair value of certain donor-restricted endowment funds may fall below their original contributed value. As of June 30, 2022 and 2021, there were no material underwater endowment funds.

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

(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 objectives of the management of the endowment fund is to 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 Finance Committee intend that the endowment fund be managed with an intention to maximize total returns consistent with prudent levels of risk and reduce portfolio risk through asset allocation and diversification.

Under this policy, as approved by the Finance Committee, the endowment assets are invested in a manner that is intended to produce results that meet or exceed the price and yield results of benchmarks composed of the Standard & Poor's 500 index for equities and Barclays Capital Intermediate Government/Credit Bond Index for fixed-income securities while assuming a prudent level of investment risk.

(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 Finance 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 equities and fixed-income securities that conform to the College's Ethical and Social Justice Policy for Investments. The asset allocation on a fully invested target is 60% equities and 40% fixed income excluding any cash and cash equivalents. The Finance Committee periodically reviews the policy portfolio's asset allocation for possible rebalancing.

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

Under the College's current long-term investment spending policy, 5% of the average fair value of the prior three years of its endowment funds with donor restrictions and up to 5% of the average fair value of the prior three years of its endowment funds without donor restrictions can be appropriated for spending. The College may also withdraw funds for purposes as authorized by the Trustees. During the years ended June 30, 2022 and 2021, the College released \$672,841 and \$3,670,068, respectively, from board-designated funds to fund capital expenditures.

In establishing these policies, the College considered the intent of the donor-restricted endowment, 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 by growing at a rate greater than planned payouts. Additional real growth will be provided through new gifts and any excess investment return or additions authorized by the Board of Trustees.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

(7) Land, Buildings, and Equipment

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

	Estimated useful lives	2022	2021
Land and improvements	0–20 years	\$ 22,698,830	21,103,059
Buildings and improvements	35–50 years	337,788,819	336,900,109
Furniture and equipment	5 years	15,768,886	14,062,659
Collection of art	—	122,592	122,592
Construction in progress	—	262,059	1,286,368
		376,641,186	373,474,787
Less accumulated depreciation		(105,794,303)	(95,413,280)
Land, buildings, and equipment, net		<u>\$ 270,846,883</u>	<u>278,061,507</u>

Depreciation expense charged to operations was \$10,381,023 and \$10,146,478 for the years ended June 30, 2022 and 2021, respectively. Capitalized interest included in buildings and improvements was \$10,617,457 at June 30, 2022 and 2021.

(8) Leases

(a) New Residence Hall Lease

In connection with the issuance of the 2016 Bonds, the College entered into a lease with MCPHS University (MCPHS) that commenced upon substantial completion of the new residence hall. Pursuant to the lease agreement, MCPHS leases approximately 260 beds and the use of certain common areas of the building. Under the lease, MCPHS has the option to extend the lease for three extension terms of five years each. Over the initial 12-year term of the lease, MCPHS will make semi-annual rent payments to the College ranging from \$1.8 million to \$2.5 million. For the fiscal years ended June 30, 2022 and 2021, MCPHS paid the College \$3,928,616 and \$3,817,118, respectively. The lease payments are pledged as security for the 2016 Bonds (note 9).

(b) Ground Leases

The College is the lessor in three long-term non-cancellable leases for space. Annual rental income recognized for the years ended June 30, 2022 and 2021 was \$1,361,426.

(c) Lease Obligations

The College is committed to annual payments under long-term non-cancellable operating leases through the year ending June 30, 2024.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

Payments due include options to extend leases that are reasonably certain through the year ending June 30, 2025 and are summarized below as of June 30, 2022:

<u>Fiscal year</u>	<u>Operating</u>
2023	\$ 82,581
2024	55,407
2025	24,000
Less amounts representing interest	<u>(8,845)</u>
Total	<u>\$ 153,143</u>

	<u>2022</u>	<u>2021</u>
Other information:		
Weighted average remaining lease term – operating leases	26 months	36 months
Weighted average discount rate – operating leases	5 %	4 %

The components of lease expense are as follows:

	<u>2022</u>	<u>2021</u>
Lease cost:		
Operating lease expense	\$ 82,230	65,658

The following table summarizes cash paid for amounts included in the measurement of these liabilities, under ASC Topic 842, for operating leases as a lessee for the years ended June 30, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
Operating cash flows used in operating leases	\$ (78,700)	(65,658)

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

(9) Long-Term Debt

Long-term debt as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Massachusetts Development Finance Agency Series A Tax Exempt Term Bonds of 2016, due through 2046, starting October 2037	\$ 96,630,000	96,630,000
Massachusetts Development Finance Agency Series A Tax Exempt Serial Bonds of 2016, due through 2036, starting October 2030	41,340,000	41,340,000
Massachusetts Development Finance Agency Series B Taxable Serial Bonds of 2016, due through 2021, starting October 2019	3,550,000	3,550,000
Massachusetts Development Finance Agency Series B Taxable Term Bonds of 2016, due through 2030, starting October 2020	35,715,000	39,510,000
Total long-term debt	177,235,000	181,030,000
Less underwriter's discount	(693,349)	(722,449)
Less bond issuance costs	(828,318)	(863,154)
Plus unamortized premium	13,189,045	13,976,101
Long-term debt, net	\$ <u>188,902,378</u>	<u>193,420,498</u>

On June 16, 2016, the College entered into a Loan and Trust Agreement with Massachusetts Development Finance Agency (the Agency) in order to finance a new residence hall construction project and to repay other indebtedness. In connection with the Agreement, the Agency issued Series 2016B taxable bonds with a par amount of \$50,265,000 and Series 2016A tax-exempt bonds with a par amount of \$137,970,000 (collectively, the 2016 Bonds). An original issue premium of \$17,944,175 was received upon issuance of these bonds. The premium will be amortized over the remaining life of the bonds.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

The bonds carry an effective fixed interest rate of 3.94% and are repayable over a 30-year period. Total interest incurred for the years ended June 30, 2022 and 2021 amounted to \$8,187,791 and \$8,319,128, respectively. The principal payments for these bonds are as follows:

Year ending June 30:	
2023	\$ 3,940,000
2024	4,100,000
2025	4,265,000
2026	4,440,000
2027	4,620,000
Thereafter	<u>155,870,000</u>
	<u>\$ 177,235,000</u>

The Series 2016 Bonds do not have debt covenants.

(10) Deferred Lease Revenue

The College has two land leases with two separate third-party lessees.

The first lease began in May 2001. The lessee prepaid the College upon inception of the lease and the prepayment was recognized as deferred lease revenue and is being amortized to revenue without donor restrictions on a straight-line basis over the 75-year term of the lease. The College recognized \$341,883 in annual lease revenue during the years ended June 30, 2022 and 2021. The remaining unamortized deferred revenue on the first lease was \$18,290,804 and \$18,632,687 at June 30, 2022 and 2021, respectively.

The second lease began in August 2012. The lessee prepaid \$40 million to the College upon inception of the lease and \$42 million in November 2015. The prepayment was recognized as deferred lease revenue and is being amortized to revenue without donor restrictions on a straight-line basis over the 80-year term of the lease. The College recognized \$1,019,542 in annual lease revenue during the years ended June 30, 2022 and 2021. The remaining unamortized deferred revenue on the second lease was \$71,537,823 and \$72,557,365 at June 30, 2022 and 2021, respectively.

(11) Retirement Plan

Through its membership in the Teachers Insurance and Annuity Association, the College has a discretionary contribution retirement plan for all qualified (as defined) full-time employees. The College temporarily eliminated employer contributions during the year ended June 30, 2021. The College restarted contributions in August 2021. The Contributions were equal to 9% of each eligible employee's basic salary. The College's expense related to the retirement plan was \$1,794,117 for the year ended June 30, 2022.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

(12) Net Assets

Net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Purpose restrictions:		
Student aid	\$ 33,605,268	38,110,196
Instruction	7,264,644	7,386,379
Other	3,089,406	2,574,271
Capital projects	1,150,386	399,386
Academic support	333,113	97,963
Contributions receivable, net	<u>3,220,269</u>	<u>1,044,757</u>
	<u>\$ 48,663,086</u>	<u>49,612,952</u>

Unspent long-term investment gains on net assets with donor restrictions were \$10,100,401 and \$17,479,224 as of June 30, 2022 and 2021, respectively. These unspent gains are classified as net assets with donor restrictions until the College appropriates and spends such sums in accordance with the terms of the underlying contributions, at which time they will be released to revenues without donor restrictions.

(13) Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors are as follows:

	<u>2022</u>	<u>2021</u>
Purpose restrictions:		
Scholarship	\$ 1,162,783	988,053
Capital expenditure	672,841	6,117,653
Instructional	352,813	274,006
Other	<u>152,594</u>	<u>—</u>
Total net assets released from donor restrictions	<u>\$ 2,341,031</u>	<u>7,379,712</u>

(14) Student Loans

Student loans include funds advanced to the College by the U.S. government under the Federal Perkins Loan Program (the Program). Under federal law, the authority for schools to make new loans under the Program ended on September 30, 2017, and final disbursements were permitted through June 30, 2018. The College returned \$153,286 and \$177,864 of advanced Program funds to the U.S. government during the years ended June 30, 2022 and 2021, respectively.

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

(15) Commitments and Contingencies

Since the inception of the College, the Sisters have provided services for which they have not been fully compensated. Prior to 1982, the amount of the aggregate uncompensated services was reflected in the College's financial statements as noninterest-bearing indebtedness payable to the Sisters. A change in accounting for the indebtedness payable to the Sisters was effected as of July 1, 1982, reclassifying the indebtedness because of the contingent nature of the College's liability to the Sisters. Beginning on July 1, 1982, the calculation of aggregate contingent liability was increased by the annual amount of the uncompensated services of the Sisters. As of August 31, 2002, the total contingent liability of the College under the terms of its liability to the Sisters was \$9,174,000 (the liability). Beginning September 1, 2002, the College began fully compensating the Sisters for their services. The liability may become payable on demand in certain circumstances, including among other things termination of operations, merger with another institution, dissolution of the Board of Trustees, and bankruptcy. The liability is represented by a note, which is secured by a mortgage on certain property, a portion of which is subordinated to the Massachusetts Development Finance Agency Series 2016 Bonds.

(16) Functional Expenses

The statements of activities present expenses by functional classification. Costs related to the operation and maintenance of the plant, depreciation expense, and interest expense are allocated based on square footage utilization of the function. Institutional overhead costs are allocated based on a weighted average salary allocation.

Natural expenses as of June 30, 2022 are as follows:

	Program activities				Support activities		Total
	Instruction	Academic support	Student services	Institutional support	Fundraising	Auxiliary operations	
Salaries and wages	\$ 12,089,991	2,742,418	6,209,430	4,863,720	796,089	1,154,739	27,856,387
Employee benefits	3,245,255	719,431	1,631,102	1,148,588	247,136	689,894	7,681,406
Supplies, services, other	3,302,049	1,333,013	3,584,586	3,558,838	559,284	7,252,702	19,590,472
Depreciation	1,289,219	426,971	937,614	3,289,539	111,492	4,326,188	10,381,023
Interest	956,775	316,795	695,789	2,168,666	82,784	3,210,455	7,431,264
Utilities	369,893	122,474	268,995	838,414	32,005	1,241,173	2,872,954
	<u>\$ 21,253,182</u>	<u>5,661,102</u>	<u>13,327,516</u>	<u>15,867,765</u>	<u>1,828,790</u>	<u>17,875,151</u>	<u>75,813,506</u>

Natural expenses as of June 30, 2021 are as follows:

	Program activities				Support activities		Total
	Instruction	Academic support	Student services	Institutional support	Fundraising	Auxiliary operations	
Salaries and wages	\$ 9,828,592	2,523,916	5,316,717	4,179,831	868,249	676,394	23,393,699
Employee benefits	2,338,716	563,240	1,234,176	841,210	233,738	294,988	5,506,068
Supplies, services, other	2,761,052	1,196,941	2,348,625	2,542,914	361,741	4,320,791	13,532,064
Depreciation	1,260,091	417,325	916,430	3,215,216	108,973	4,228,443	10,146,478
Interest	973,817	322,437	708,182	2,207,293	84,259	3,267,638	7,563,626
Utilities	283,216	93,775	205,962	641,950	24,505	950,332	2,199,740
	<u>\$ 17,445,484</u>	<u>5,117,634</u>	<u>10,730,092</u>	<u>13,628,414</u>	<u>1,681,465</u>	<u>13,738,586</u>	<u>62,341,675</u>

EMMANUEL COLLEGE

Notes to Financial Statements

June 30, 2022 and 2021

(17) Impact of Pandemic

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. Although it is not possible to determine the pandemic's ultimate length, severity, or impacts on the economy or the College's finances, the College could experience material adverse effects posed by the risks, or our stakeholders' perceptions of the risks, related to COVID-19.

As a result of the pandemic, beginning in March 2020, the College suspended in-person education and other campus-based activities, resulting in foregone revenues and COVID-19-related costs. During the year ended June 30, 2022, the College received reimbursements from the Federal and Massachusetts Emergency Management Assistance totaling \$1,826,079. The reimbursements are recognized on the statement of activities under government and other private grants.

During the fall semester of the year ended June 30, 2021, the College continued the suspension of in-person education and closed the residence halls. During the spring semester, the College's residence halls reopened with a significantly reduced occupancy. Room and board revenue was \$5,749,640 during the year ended June 30, 2021.

The College incurred other incremental costs due to the pandemic, including COVID-19 testing, transitioning to online education and work environments. The College also experienced reductions in certain other recurring costs, such as travel, dining, and utilities.

As a result of the COVID-19 pandemic, the College received institutional aid totaling \$4,037,195 from the U.S. government, during the year ended June 30, 2021. The federal grant was provided through the Higher Education Emergency Relief Fund (HEERF). Funds provided by HEERF were used to fund the College's COVID-19-related costs. The HEERF grant proceeds were recognized on the statement of activities as government and other private grants revenue.

HEERF grants also provided emergency financial aid grants to students. Student aid provided by HEERF totaled \$3,109,852 during the year ended June 30, 2021 and deferred \$2,972,802 for use during subsequent fiscal years. The College distributed \$2,115,101 during the year ended June 30, 2022.

(18) Related Parties

Members of the College's Board of Trustees and Officers 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 Officer may participate in any decision in which they (or an immediate family member) have a material financial interest. For the Board of Trustees and Officers, the College requires an annual disclosure of significant financial interests in, family relationships, significant management function, or substantial business 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.

EMMANUEL COLLEGE
Notes to Financial Statements
June 30, 2022 and 2021

(19) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2022 and through September 29, 2022, the date on which the financial statements were issued.

The College signed one-year leases for off-campus residences. The leases begin August 1, 2022 and end on July 31, 2023. The total lease obligation is \$381,326 and \$34,666 for the years ending June 30, 2023 and 2024, respectively.