Calvin University



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Statement of Cash Flows

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	 2022		2021	
Increase in net assets Adjustments to reconcile increase in net assets to net cash and cash equivalents	\$ 353	\$	72,375	
from operating activities:				
Depreciation	7,022		6,761	
Gifts and grants to be held in perpetuity	(18,466)		(6,502)	
Net realized and unrealized capital losses (gains) on investments	15,497		(55,093)	
Change in value of cash surrender value of life insurance	(7)		37	
Change in value of tuition gift certificates and units redeemed	(347)		(676)	
Change in value of postretirement health benefit liability	(2,671)		(1,230)	
Change in value of split-interest agreements	(598)		1,320	
Perkins Loan administrative cost charge	(9)		(4)	
Change in value of interest rate swap agreements	-		(7,182)	
Student loans collected	397		661	
Loss on sale of property and equipment	526		-	
Amortization of bond premium and debt issue costs	(281)		-	
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:				
Accounts receivable	4,740		16,648	
Other assets	(236)		72	
Accounts payable	(893)		1,084	
Accrued compensation and other liabilities	2,567		(1,132)	
Deferred tuition and fees	(301)		(1,585)	
Deferred grant revenue	(1,131)		(2,507)	
Amounts held for other organizations	 (10)		46	
Net cash and cash equivalents provided by operating activities	6,152		23,093	

Purchase of propert

Investments in equity and debt securities are reported at fair value. Other investments are valued at estimated fair value. See Note 4 for methods and assumptions used by the University in estimating fair value of investments.

Investment return includes dividend, interest, and other investment income and realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statement of activities and changes in net assets as without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Student loans receivable are carried at unpaid principal balances less an allowance for uncollectible loans. The University considers a loan to be in default when it has been past due for a period of nine months. Past-due accounts are subject to internal collection efforts for a period of one year and are subsequently placed with third-party collection agencies for another year. If an account is still delinquent after the two-year collection period, the loan is assigned to the Department of Education, in the case of Federal Perkins Loans, or written off, in the case of institutional loans. The allowance for uncollectible accounts is calculated as the average of the outstanding loan balance multiplied by

Notes to Financial Statements

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The University's assessment of the significance of particular inputs to these fair value measurements requires judgment and considered factors specific to each asset.

Investments measured at fair value using net asset value per share (or itam (s)-0.s-178.1 (i)s9 (s)-0.8 (h)-0.8 (a)-

The University has accepted contributions receivable for plant construction, endowment growth, debt repayment, academic enrichment, research, financial aid, and the Calvin Annual Fund. Unconditional promises to give are reflected at the present value of estimated future cash flows using an average discount rate of 3.6 percent at June 30, 2022 and 2021. The average discount rate is calculated using the daily treasury yield curve based on the date of the gift received and the period of payment. Pledges are analyzed annually before year end for collectibility and written off at that time if deemed uncollectible; therefore, no allowance is recorded as of June 30, 2022 and 2021.

Included in contributions receivable are several unconditional promises to give generated from a capital campaign. They are included as follows:

Notes to Financial Statements

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	Units	Amounts	
Balance at July 1, 2020 Units sold Units redeemed Change in unit price of tuition certificates	11,167 1,458 1,967 10,658	\$	4,199 526 (740) 64
Balance at June 30, 2021			4,049

Notes to Financial Statements

The balance of the above debt matures as follows:

Years Ending	 Amount		
2023 2024 2025 2026 2027 Thereafter Unamortized debt discount Unamortized debt premium	\$ 1,357 1,660 1,697 1,733 70,223		
	 (704) 9,248		
Total	\$ 85,214		

Interest expense for 2022 and 2021 was \$2,343 and \$3,171, respectively.

The University is exposed to certain risks in the normal course of its business operations. The only derivatives used by the University were interest rate swaps, which were used to manage the risks associated with interest rates on variable-rate borrowings during previous years. The University had elected not to apply hedge accounting on the interest rate swaps used during those years. Therefore, the interest rate swaps were recorded at fair value on the balance sheet within other accrued expenses, and the gain or loss recognized on the swaps is recognized in the current year earnings. During 2021, the University made a payment of \$17,673 to terminate the interest rate swaps; therefore, there were no swaps outstanding as of June 30, 2022 or 2021.

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Notes to Financial Statements

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Amounts not available include amounts set aside for long-term investing in the quasi endowment that c

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Supplemental Information



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To the Board of Directors Calvin University

We have audited the financial statements of Calvin University (the "University") as of and for the years ended June 30, 2022 and 2021 and have issued our report thereon dated October 25, 2022, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The accompanying financial responsibility supplemental schedule is presented for the purpose of additional analysis, as required by Title 34 U.S. Code of Federal Regulations (CFR) Section 668.172, *Department of Education Financial Ratios*. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such info



Financial Responsibility Supplemental Schedule

Expendable Net Assets: Net assets without donor restrictions Net assets with donor restrictions Secured and Unsecured related party receivable Unsecured related party receivable

Property, plant, and equipment, gross (including construction in progress) Property, plant, and equipment, net - Pre-implementation less any construction in progress Property, plant, and equipment, net - Postimplementation less any construction in progress with outstanding debt for original purchase Property, plant, and equipment, net - Postimplementation less any construction in progress without outstanding debt for original purchase Construction in progress

Lease right-of-use asset, net Lease right-of-use asset - Pre-implementation Lease right-of-use asset - Post-implementation

Intangible assets

Post-employment and defined pension plan liabilities

Long-term debt - For long-term purposes and

Financial Responsibility Supplemental Schedule

Modified Net Assets:			
Net assets without donor restrictions	Balance Sheet	\$ -	\$ 176,642
Net assets with donor restrictions	Balance Sheet		274,748
Intangible assets	N/A		-
Secured and Unsecured related party receivable	N/A		
Unsecured related party receivable	N/A		-
Modified Assets:			
Total assets	Balance Sheet		582,902
Lease right-of-use asset - Pre-implementation	N/A		-
Pre-implementation right-of-use liability	N/A		-
Intangible assets	N/A		-
Secured and Unsecured related party receivable	N/A		
Unsecured related party receivable	N/A		-
Change in net assets without donor restrictions	Statement of Activities		(577)
Total revenues and gains	Statement of Activities		106,464

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