MONMOUTH UNIVERSITY

Financial Statements

June 30, 2015
(with comparative financial information as of June 30, 2014)

(With Independent Auditors' Report Thereon)

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Trustees
Monmouth University:

We have audited the accompanying financial statements of Monmouth University, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Monmouth University as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited Monmouth University's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2014. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

October 28, 2015

MONMOUTH UNIVERSITY

Statement of Financial Position

June 30, 2015
(with comparative financial information as of June 30, 2014)

Assets	**2015**	**2014**
Cash and cash equivalents	$ 19,598,393	11,191,678
Short-term investments	52,722,689	55,819,410
Student accounts receivable, net	1,004,082	969,983
Prepaid expenses and deferred charges	3,419,213	1,590,280
Inventory	523,123	936,284
Grants and other receivables, net	4,565,766	3,335,269
Contributions receivable, net	6,729,506	11,667,130
Student loans receivable, net	4,541,362	4,584,843
Long-term investments	78,253,447	76,466,176
Construction in progress	12,059,241	14,164,848
Land, buildings, and equipment, net	169,407,140	161,328,571
Total assets	$ 352,823,962	342,054,472
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 8,290,828	10,463,715
Accrued payroll and fringe benefits	8,868,580	7,993,494
Accrued interest payable	64,399	71,187
Deferred revenues	5,683,196	5,790,220
Deposits	49,199	53,822
Funds held for others	107,243	110,105
Notes payable	1,800,337	1,991,785
Mortgage notes payable	20,519,528	22,860,950
Student loan grants refundable	3,957,940	4,017,615
Asset retirement obligation	6,479,763	6,630,018
Total liabilities	55,821,013	59,982,911
Net assets:		
Unrestricted:		
Available for operations	7,371,943	7,324,246
Designated for or investment in plant	189,437,355	179,520,105
Designated for loan programs	1,083,848	1,087,536
Held for long-term investment	27,499,481	27,231,293
Total unrestricted	225,392,627	215,163,180
Temporarily restricted	38,980,522	36,107,308
Permanently restricted	32,629,800	30,801,073
Total net assets	297,002,949	282,071,561
Total liabilities and net assets	$ 352,823,962	342,054,472

See accompanying notes to financial statements.

MONMOUTH UNIVERSITY

Statement of Activities

Year ended June 30, 2015

	Unrestricted							
	Available for operations	**Designated for or investment in plant**	**Designated for loan programs**	**Held for long-term investment**	**Total unrestricted**	**Temporarily restricted**	**Permanently restricted**	**Total**
Operating revenues:								
Tuition and fees, net of scholarships of $51,039,283	$ 129,151,105	—	—	—	129,151,105	—	—	129,151,105
Auxiliary enterprises, net of scholarships of $3,076,960	27,144,690	—	—	—	27,144,690	—	—	27,144,690
Federal grants and contracts	—	—	—	—	—	1,033,603	—	1,033,603
State of New Jersey grants	129,791	11,917	—	—	141,708	808,281	—	949,989
Private gifts and grants	749,618	131,183	—	5,200	886,001	6,138,875	—	7,024,876
Investment return allocated to operations	630,014	595,505	18,579	921,297	2,165,395	2,042,819	—	4,208,214
Other revenue	3,773,417	274,418	7,377	—	4,055,212	5,638	—	4,060,850
Net assets released for:								
Instruction and academic support	1,180,223	—	—	—	1,180,223	(1,180,223)	—	—
Scholarships and grants	2,157,153	—	—	—	2,157,153	(2,157,153)	—	—
Other purposes	2,012,220	936,973	—	—	2,949,193	(2,949,193)	—	—
Total operating revenues	166,928,231	1,949,996	25,956	926,497	169,830,680	3,742,647	—	173,573,327
Operating expenses and transfers:								
Program expenses:								
Instruction	54,003,009	2,061,543	—	—	56,064,552	—	—	56,064,552
Research	2,333,874	40,035	—	—	2,373,909	—	—	2,373,909
Public service	339,774	56,327	—	—	396,101	—	—	396,101
Academic support	24,440,487	3,396,533	—	—	27,837,020	—	—	27,837,020
Student services	14,555,727	826,036	—	—	15,381,763	—	—	15,381,763
Auxiliary enterprises	16,966,237	4,716,659	—	—	21,682,896	—	—	21,682,896
Support expenses:								
Institutional support	29,615,129	1,767,244	28,736	—	31,411,109	—	—	31,411,109
Fund-raising	3,789,904	161,885	—	—	3,951,789	—	—	3,951,789
Total operating expenses	146,044,141	13,026,262	28,736	—	159,099,139	—	—	159,099,139
Transfers among unrestricted funds:								
Mandatory transfers out (in)	3,871,621	(3,871,621)	—	—	—	—	—	—
Nonmandatory transfers out (in)	16,878,878	(16,859,423)	—	(19,455)	—	—	—	—
Total operating expenses and transfers	166,794,640	(7,704,782)	28,736	(19,455)	159,099,139	—	—	159,099,139
Change in net assets from operations	133,591	9,654,778	(2,780)	945,952	10,731,541	3,742,647	—	14,474,188
Other changes:								
Investment return – nonoperating	(85,894)	(84,845)	(908)	(677,764)	(849,411)	(869,433)	—	(1,718,844)
Gain on plant facilities	—	347,317	—	—	347,317	—	—	347,317
Endowment gifts and bequests	—	—	—	—	—	—	1,828,727	1,828,727
Change in net assets	47,697	9,917,250	(3,688)	268,188	10,229,447	2,873,214	1,828,727	14,931,388
Net assets as of beginning of year	7,324,246	179,520,105	1,087,536	27,231,293	215,163,180	36,107,308	30,801,073	282,071,561
Net assets as of end of year	$ 7,371,943	189,437,355	1,083,848	27,499,481	225,392,627	38,980,522	32,629,800	297,002,949

See accompanying notes to financial statements.

MONMOUTH UNIVERSITY

Statement of Functional Expenses

Year ended June 30, 2015

	Instruction	Research	Public service	Academic support	Student services	Auxiliary enterprises	Institutional support	Fund-raising	Total
Compensation	$ 36,119,762	594,624	146,258	12,072,228	7,977,823	3,758,761	14,654,801	2,456,600	77,780,857
Fringe benefits	12,474,222	178,381	1,965	4,084,909	2,542,202	1,121,435	5,008,537	829,257	26,240,908
Supplies	1,098,350	22,980	32,418	941,373	371,031	262,605	807,107	52,640	3,588,504
Postage and shipping	12,992	7,892	261	39,580	314,059	6,045	86,884	21,340	489,053
Recruiting and advertising	46,274	—	10,473	361,422	266,378	1,712	1,408,795	—	2,095,054
Dining and food services	99,767	10,271	44,863	230,348	213,559	4,535,353	59,359	23,834	5,217,354
Travel and entertainment	463,566	49,580	18,448	1,842,310	294,002	26,066	391,483	38,254	3,123,709
Professional services	69,483	9,644	900	309,250	346,595	—	1,768,268	21,017	2,525,157
Insurance	583,595	12,770	186	568,006	295,861	300,016	448,788	51,908	2,261,130
Fees and memberships	68,382	687	51	107,081	10,281	47,729	1,270,604	10,819	1,515,634
Other services	1,125,306	1,269,442	58,797	911,616	421,841	247,435	1,127,895	97,609	5,259,941
Maintenance services	108,390	2,453	1,142	206,326	70,955	147,077	1,262,793	9,063	1,808,199
Utilities	1,053,292	25,729	1,089	1,049,891	538,752	1,693,919	490,049	95,478	4,948,199
Property costs	447,063	17,423	968	589,079	239,796	1,330,628	1,162,257	31,331	3,818,545
Library materials	—	—	—	809,355	—	—	—	—	809,355
Bookstore materials	—	—	—	—	—	2,673,228	—	—	2,673,228
Other expenses	232,565	131,998	21,955	317,713	652,591	814,228	594,909	50,755	2,816,714
Depreciation	2,013,541	38,989	56,327	3,277,066	801,707	3,342,924	856,561	157,603	10,544,718
Accretion of asset retirement obligation	48,002	1,046	—	46,713	24,330	106,904	12,019	4,281	243,295
Interest expense	—	—	—	72,754	—	1,266,831	—	—	1,339,585
Total functional expenses	$ 56,064,552	2,373,909	396,101	27,837,020	15,381,763	21,682,896	31,411,109	3,951,789	159,099,139

See accompanying notes to financial statements.

MONMOUTH UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2015

Cash flows from operating activities:	
Change in net assets	$ 14,931,388
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Noncash items:	
Depreciation expense	10,544,718
Accretion of asset retirement obligation	243,295
Gain on plant facilities	(347,317)
Amortization of deferred charges	15,073
Net unrealized gain	(1,512,929)
Amortization of bond premium	43,441
Provision for doubtful accounts	221,776
Student loan cancellations	31,544
Nonoperating items:	
Net realized loss	1,027,508
Contributions and grants for plant facilities	(1,336,049)
Contributions to permanent endowment	(1,828,727)
Changes in operating assets and liabilities:	
Increase in student accounts receivable	(227,244)
Increase in prepaid expenses	(1,844,006)
Decrease in inventory	413,161
Increase in grants and other receivables	(1,226,753)
Decrease in contribution receivable	787,011
Increase in accounts payable	416,153
Increase in accrued payroll and fringe benefits	875,086
Decrease in accrued interest payable	(6,788)
Decrease in deferred revenues	(107,024)
Decrease in deposits	(4,623)
Decrease in funds held for others	(2,862)
Decrease in student loan grants refundable	(59,675)
Decrease in asset retirement obligation	(393,550)
Net cash provided by operating activities	20,652,607
Cash flows from investing activities:	
Proceeds from sales of investments	74,048,169
Purchases of investments	(72,296,739)
Student loans granted	(797,774)
Student loans collected	779,711
Decrease in accounts payable for capital	(2,589,040)
Purchases of land, buildings, and equipment	(16,170,363)
Net cash used in investing activities	(17,026,036)
Cash flows from financing activities:	
Payment of notes payable	(191,448)
Payment of mortgage notes payable	(2,341,422)
Cash received for plant facilities	5,445,575
Cash received for permanent endowment	1,867,439
Net cash provided by financing activities	4,780,144
Net increase in cash and cash equivalents	8,406,715
Cash and cash equivalents as of beginning of year	11,191,678
Cash and cash equivalents as of end of year	$ 19,598,393

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

Organization

Monmouth University (the University) is a private, comprehensive institution of higher learning at the undergraduate and graduate levels committed to service in the public interest and to the enhancement of the quality of life. The University is composed of eight schools, the Wayne D. McMurray School of Humanities and Social Sciences, the Leon Hess Business School, the School of Education, the School of Social Work, the School of Science, the Marjorie K. Unterberg School of Nursing and Health Studies, the Graduate School, and the Honors School. The University's commitment is to provide a learning process and environment, which enables men and women to pursue their educational goals and realize their full potential.

Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared on the accrual basis.

U.S. generally accepted accounting principles require that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are presented in total and with the following subclassifications: available for operations, designated for or investment in plant, designated for loan programs, and held for long-term investment.

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

- Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.
- Temporarily restricted net assets – net assets subject to donor-imposed stipulations that will be met by actions of the University and/or by the passage of time.
- Unrestricted net assets – net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments, including both realized and unrealized, and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(Continued)

(b) Other Significant Accounting Policies

Other significant accounting policies followed in the preparation of the accompanying financial statements are outlined below:

1. Contributions, including unconditional promises to give, are initially recognized at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. The fair value of pledges of contributions to be received after one year are discounted. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity. These inputs to the fair value estimate of unconditional promises to give are considered Level 3 in the fair value hierarchy (see note 2).

   Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of temporarily restricted net assets and reclassified to unrestricted net assets as the restrictions are met.

   Contributions of cash or other assets to be used to acquire long-lived assets are reported as revenues of temporarily restricted net assets and reclassified to unrestricted net assets when the long-lived asset is put into service or in the case of construction when the project is completed.

   Contributions of art work, historical treasures, and similar assets, whether part of a collection or not, whose quoted market price or independent appraisal is $1,000 or more are recorded as revenue and capitalized, but not depreciated.

2. Income on endowment investments including realized and unrealized gains and losses is reported as permanently restricted net assets, if the terms of the gift require that they be added to the principal of a permanent endowment fund; as temporarily restricted net assets, if the terms of the gift impose restrictions on the use of the income or if income on endowments has not been appropriated for expenditure; and as unrestricted net assets in all other cases. Income on nonendowment investments including realized and unrealized gains and losses is classified as unrestricted net assets unless restricted by the donor.

3. Costs related to obtaining mortgage debt are capitalized as deferred charges and amortized over the term of the related debt using the straight-line method. When a loan is paid off in full, any unamortized financing costs are expensed.

4. Land, buildings, and equipment with a useful life of more than one year and a cost of $1,000 or more are capitalized and stated at cost at date of acquisition or fair value at date of donation, less accumulated depreciation computed on a straight-line basis over their estimated useful lives beginning in the fiscal year following the year placed into service (buildings, 30.5 years; improvements, 15 years; and equipment 3–20 years).

(Continued)

5. The cost of library books is charged to operating expenses in the year of purchase and is not capitalized.

6. Inventory consists of bookstore merchandise and is recorded at the lower of cost (first-in, first-out basis) or market.

7. Deferred revenues represent unearned student tuition and fees. The revenues are recognized when the tuition and fees are earned.

8. Grants receivable represent amounts expended but unreimbursed under certain grants awarded to the University.

9. Investments in marketable securities are stated at fair value based on quoted market prices. Investments in real estate are stated at appraised market values. Investments in nonmarketable securities are based upon net asset values, as the practical expedient, provided by external investment managers, which are reviewed and evaluated by University management for reasonableness.

10. Auxiliary enterprises primarily consist of student housing, dining services, and bookstore operations. Auxiliary enterprises expenses include direct administration and general costs related to their operations as well as interest and depreciation.

11. Operations and maintenance expense, interest expense, and depreciation expense are allocated to the appropriate functional categories.

12. As of June 30, 2015, the carrying value of notes and mortgage notes payable approximate fair value because these financial instruments, in the aggregate, bear interest at rates, which approximate current market rates for loans with similar maturities and credit quality. The inputs to the fair value estimates are considered Level 2 in the fair value hierarchy (see note 2).

    A reasonable estimate of the fair value of student loans receivable, which are primarily federally sponsored student loans with U.S. government mandated interest rates and repayment terms, cannot be made because the notes are not saleable and can only be assigned to the U.S. government or its designees.

    The carrying value of the University's receivables and accounts payable approximates their fair value because of the terms and relatively short maturities of these financial instruments. The estimated fair values, however, involve unobservable inputs and are considered to be Level 3 in the fair value hierarchy.

13. Student loan grants refundable represent advances from the Federal government, which are repayable to the Federal government upon discontinuance of the loan program and, thus, are reflected as liabilities on the statement of financial position.

14. Cash equivalents include investments with original maturities of three months or less, and include money market funds except those included in short- and long-term investments, investments whose use is restricted, and investments held by bond trustees.

15. The statement of activities distinguishes between operating and nonoperating activities. Nonoperating activities of the University reflect gifts and donations of a permanent nature to be used by the University to generate a return that will support operations, as well as investment return in excess of or less than the spending policy (see notes 2 and 9), and gains (losses) on disposals of plant facilities.

16. The University participates in the following three types of split-interest agreements: charitable remainder trusts, charitable gift annuities, and pooled (life) income funds. Charitable remainder trusts are recorded at net present value in the statement of financial position as contributions receivable and amount to $2,337,122 and $2,472,047 at June 30, 2015 and 2014, respectively. Charitable gift annuities are recorded at fair value in the statement of financial position as long-term investments. The present value of estimated payments to annuitants is recorded as accounts payable using discount rates ranging from 1.2% to 6.2%. The State of New Jersey requires the University to maintain a reserve fund that is the higher of (1) $100,000 or (2) 110% of the estimated remainder value of the outstanding gift annuity agreements. Pooled (life) income funds are recorded at fair value in the statement of financial position as long-term investments.

    Temporarily restricted contribution revenue is measured at the fair value of assets received under split-interest agreements, discounted for a term equal to the life expectancy of the donor or the term of the charitable remainder trust, and recorded at the time of receipt. One new split interest agreement was received in 2015. The difference between the fair value of the assets received and the revenue recognized is recorded as deferred revenue in the statement of financial position. Changes in the life expectancy of the donor or beneficiary, amortization of the discount and other changes in the estimates of future payments relating to the above split-interest agreements are recorded as private gifts and grants revenue in the statement of activities. The inputs to the fair value estimates are considered Level 3 in the fair value hierarchy (see note 2).

(c) Prior Year Comparative Financial Information

The statement of financial position is presented with prior year comparative financial information. Such information is not sufficient to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University’s financial statements as of and for the year ended June 30, 2014, from which the comparative information was derived.

(d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant assumptions relate to fair value of alternative investments, estimated depreciable lives, allowance for doubtful accounts, asset retirement obligations, classification of net assets, classification of functional expenses, and discounting of contributions receivable. Actual results could differ from those estimates.

(e) Asset Retirement Obligation

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred if a reasonable estimate of the fair value of the obligation can be made. The inputs to the fair value estimate are considered Level 3 in the fair value hierarchy (see note 2). When the liability is initially recorded, the University capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities.

(f) Income Taxes

The University is an organization described under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, is exempt from Federal income taxes under Section 501(a) of the Code on income generated by activities that are substantially related to its tax-exempt purpose.

There are certain transactions that could be deemed unrelated business income and could result in a tax liability. Management reviews transactions to estimate potential tax liabilities using a more likely than not threshold. It is management’s estimation that there are no material tax liabilities that need to be recorded.

(g) New Accounting Pronouncement

In fiscal year 2015, the University early adopted the provisions of Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The University applied the provisions of the update retrospectively to fiscal year 2014.

(2) Investments and Fair Value

Investments are included in two categories of assets in the statement of financial position: short-term investments are comprised of unexpended operating and plant funds; and long term investments are comprised of both permanently restricted endowment funds and those funds functioning as endowment.

The Investment Committee of the Board of Trustees establishes investment pools, sets policy and asset allocation guidelines for investment of the various funds, determines spending rates and selects external professional investment managers. External investment managers have authority for determining investment strategy, security selection and timing within the approved policy.

The objective of the operating and unexpended plant fund investments is to maximize income while preserving principal value and maintaining liquidity to meet University needs. These funds are invested in U.S. dollar denominated fixed income securities of domestic and foreign entities. The objective of the endowment fund investments is to achieve long-term capital appreciation within prudent risk restraints. Endowment funds may be invested in equity and fixed income mutual funds, commodities, real estate and alternative investment strategies including hedge, private equity, and distressed debt.

The University's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy was established, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

- Level 1 – Inputs are quoted prices in active markets for identical assets and liabilities that the University has the ability to access at the measurement date.
- Level 2 – Inputs are other than quoted prices in level one such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs that are unobservable and investments in investees, which may not permit redemption at net asset value (or equivalent) at the measurement date. Inputs may include recent transactions, earnings forecasts, market multiples, future cash flows, and other factors.

An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The majority of the University's long-term investments are invested with the Commonfund for Nonprofit Organizations (Commonfund). Commonfund is a tax-exempt membership corporation that operates the endowment funds for the benefit of institutions eligible for membership in the Commonfund. The University's interests in these funds are reported at net asset value (NAV). NAV is used as a practical expedient to measure fair value.

The following tables present the fair value hierarchy for the University's investments, which are reported at fair value and their redemption/liquidation features at June 30, 2015 and 2014:

	2015					
	Fair value	Level 1	Level 2	Level 3	Redemption or liquidation	Days' notice
Investments:						
Short-term investments:						
Corporate bonds	$ 52,677,036	—	52,677,036	—	Daily	1
Solar energy credits	28,355	28,355	—	—	Daily	1
Corporate stock	17,298	17,298	—	—	Daily	1
Subtotal short-term investments	52,722,689	45,653	52,677,036	—		
Long-term investments:						
Cash and cash equivalents	3,308,989	3,308,989	—	—	Daily	1
U.S. government and agencies	168,286	168,286	—	—	Daily	1
Other funds	1,200,407	1,200,407	—	—	Daily	1
Real property (2)	240,000	—	240,000	—		not applicable
Other	46,572	—	—	46,572	Illiquid	not applicable
		$ 4,723,335	52,917,036	46,572		
Investments reported at NAV (or its equivalent):						
Global natural resources stock index fund	327,327				Daily	2
U.S. TIPS index fund	1,027,937				Daily	2
Primarily domestic fixed income funds	9,706,174				Monthly	5
Non-U.S. fixed income fund	1,810,480				Monthly	5
Primarily domestic equity funds	23,410,853				Monthly	5
Non-U.S. equity funds	17,828,078				Monthly	5
Multistrategy commodities fund	1,067,769				Monthly	5
Hedged equity funds	5,947,625				Monthly	65
Relative value and event-driven fund	4,038,351				Semi-annually	95
Limited partnerships (1):						
Private equity and venture capital funds	3,515,968				Illiquid	not applicable
Distressed debt funds	755,974				Illiquid	not applicable
Natural resources funds	1,742,506				Illiquid	not applicable
Real estate funds	2,110,151				Illiquid	not applicable
Subtotal long-term investments	78,253,447					
	$ 130,976,136					

	2014					
	Fair value	**Level 1**	**Level 2**	**Level 3**	**Redemption or liquidation**	**Days' notice**
Investments:						
Short-term investments:						
Corporate bonds	$ 55,714,154	—	55,714,154	—	Daily	1
Solar energy credits	89,450	89,450	—	—	Daily	1
Corporate stock	15,806	15,806	—	—	Daily	1
Subtotal short-term investments	55,819,410	105,256	55,714,154	—		
Long-term investments:						
Cash and cash equivalents	1,574,196	1,574,196	—	—	Daily	1
U.S. government and agencies	202,180	202,180	—	—	Daily	1
Other funds	1,201,156	1,201,156	—	—	Daily	1
Real property (2)	240,000	—	240,000	—		not applicable
Other	63,668	—	—	63,668	Illiquid	not applicable
		$ 3,082,788	55,954,154	63,668		
Investments reported at NAV (or its equivalent):						
Global natural resources stock index fund	441,568				Daily	2
U.S. TIPS index fund	—				Daily	2
Primarily domestic fixed income funds	10,183,802				Monthly	5
Non-U.S. fixed income fund	2,153,502				Monthly	5
Primarily domestic equity funds	22,072,506				Monthly	5
Non-U.S. equity funds	18,064,054				Monthly	5
Multistrategy commodities fund	1,391,176				Monthly	5
Hedged equity funds	7,500,000				Monthly	65
Relative value and event-driven fund	4,082,372				Semi-annually	95
Limited partnerships (1):						
Private equity and venture capital funds	2,416,138				Illiquid	not applicable
Distressed debt funds	1,050,087				Illiquid	not applicable
Natural resources funds	2,012,499				Illiquid	not applicable
Real estate funds	1,817,272				Illiquid	not applicable
Subtotal long-term investments	76,466,176					
	$ 132,285,586					

(1) These funds are illiquid, limited partnerships that in general do not offer access to redemptions during the life of the partnership. Some of the partnerships allow a portion of the investment to be redeemed during the life of the partnership subject to certain restrictions. Estimated partnership end dates range from 2015 to 2026. The partnerships are subject to potential extensions (up to 3 years) of the final termination date.

(2) Redemption is subject to the terms of the related gift instruments/life estate.

(a) The global natural resource stock index fund is managed by State Street Global Advisors. The fund invests in equity securities worldwide with an objective of approximating, before expenses, the performance of the MSCI World Resource Industry index over the long term.

(b) During 2015, the U.S. Treasury Inflation Protected (TIPS) index fund is managed by State Street Global Advisors. The fund invests primarily in U.S. government securities with an objective of approximating, before expenses, the performance of the Barclay’s U.S. Treasury Inflation Protected Securities (TIPS) index over the long term.

(c) This category includes fixed income funds managed by Commonfund that focus primarily on U.S. securities: the Commonfund high quality bond fund (2015 and 2014), the Commonfund contingent asset portfolio fund (2015), the Western Asset Management short-dated high yield fund (2014) and the Commonfund real return bond fund (2014). The high quality bond fund invests in investment grade U.S. fixed income securities. The contingent asset portfolio fund invests in U.S. agency mortgage securities. The Western Asset Management short-dated high yield fund invests in dollar-denominated debt and fixed income securities that are rated below investment grade at the time of purchase. The real return bond fund invests in investment grade inflation indexed securities.

(d) The global bond fund is managed by Commonfund and invests in sovereign bonds and other fixed income securities worldwide.

(e) This category includes holdings within two equity funds managed by Commonfund: the strategic solutions global equity fund and the strategic solutions equity fund. The strategic solutions global equity fund provides broad exposure to global opportunistic stock selectors. The fund allocates assets across a diversified portfolio of common stocks and equity-linked securities of companies in the global public equity markets. The fund is unconstrained by geography, strategy, and market capitalization. The benchmark of the fund is the MSCI All Country World Index. The strategic solutions equity fund invests in common stocks and securities convertible into common stock of companies with market capitalizations in the range of companies in the S&P 500 Index, the benchmark index of the fund.

(f) This category includes holdings within the strategic solutions global equity fund, which is described in (d) above.

(g) This fund is managed by Commonfund and pursues diversified exposure to commodities through a combination of custom index swaps and future overlays. The fixed income portion of the portfolio is invested primarily in money markets and U.S. government securities.

(h) This category includes two funds managed by Commonfund. One fund invested primarily in absolute return-oriented, low-beta hedged equity strategies and the other seeks to exceed the performance of the S&P 500 Composite Index by investing in a combination of S&P 500 futures and absolute return-oriented, low-beta hedged equity strategies.

(i) This fund is managed by Commonfund and invests in three broad categories: event driven strategies, credit/distressed strategies, and multistrategy (combination of event driven, credit and other arbitrage strategies). Event driven strategies are long and short positions that seek to create value from an anticipated corporate “event” such as merger arbitrage, tender offers, spin offs, reorganizations, and bankruptcies. Credit/distressed strategies include current pay bonds and bank debt, distressed bonds/bank debt mortgage backed securities and post reorganization equity.

(j) This category includes 9 domestic and international private equity and venture capital funds managed by Commonfund.

(k) This category includes 2 distressed debt funds managed by Commonfund which invest in various private equity funds, hedge funds and partnerships managed by independent investment advisors. One fund pursues a program of turnaround and distressed debt investing, employing active trading and investing strategies on a global basis. The other fund invests in performing restructured debt, stressed debt distressed debt, “special situation” and mezzanine debt investments.

(l) This category includes 4 natural resource funds managed by Commonfund, which invest primarily in other limited partnerships, which in turn make oil, gas and other natural resource related investments with the objective of obtaining long term growth of capital.

(m) This category includes 2 real estate funds managed by Commonfund. One fund invests in a diversified portfolio of open-end, third party investment funds which, focus on core real estate investing. The other fund invests in value-add, distressed, and opportunistic private real estate funds, focusing on a strategy of noncore real estate investing.

The following tables present the University’s activity for the fiscal years ended June 30, 2015 and June 30, 2014 for assets measured at fair value using unobservable inputs (Level 3):

		Other
Fair value at June 30, 2013	$	98,316
Proceeds from sales		(36,932)
Net unrealized gains		2,284
Fair value at June 30, 2014		63,668
Proceeds from sales		(18,466)
Net unrealized gains		1,370
Fair value at June 30, 2015	$	46,572

At June 30, 2015, the University's outstanding capital commitments relating to investments totaled $6,866,432 which primarily relate to the limited partnership investments. The estimated capital call amounts for the next five fiscal years and thereafter are summarized in the table below:

		Amount
Fiscal year:		
2016	$	1,204,065
2017		1,218,540
2018		1,053,667
2019		997,940
2020		840,323
Thereafter		1,551,897
Total	$	6,866,432

Investment return is comprised of interest, dividends and net realized and unrealized gains and losses. Return for the years ended June 30, 2015 and 2014 is comprised of:

		2015	**2014**
Return, net of expenses of $1,537,640 and $1,204,346, respectively:			
Interest and dividends	$	2,003,949	1,769,560
Net realized and unrealized gains		485,421	9,429,693
Total return		2,489,370	11,199,253
Investment return allocated to operations		4,208,214	3,755,132
Investment return – nonoperating	$	(1,718,844)	7,444,121

The University has an investment return spending policy on pooled investments. The spending rate may be adjusted by the governing board to reflect current conditions in maintaining a prudent spending policy. The currently approved formula for annual spending uses a 36-month average fair value and applies a 5% spending rate to the average. Pooled investment income and realized and unrealized gains or losses are allocated to operations at the University's spending policy amount. Remaining pooled investment return is allocated to nonoperating. Investment income from nonpooled investments is allocated to operations and realized and unrealized gains or losses are allocated to nonoperating.

(3) Receivables

Receivables consist of the following as of June 30, 2015 and 2014:

		2015	2014
Student accounts receivable	$	3,497,429	3,270,185
Less allowance for doubtful accounts		(2,493,347)	(2,300,202)
Student accounts receivable, net	$	1,004,082	969,983
Grants and other receivables	$	4,662,219	3,435,466
Less allowance for doubtful accounts		(96,453)	(100,197)
Grants and other receivables, net	$	4,565,766	3,335,269
Contributions receivable are scheduled to be collected in:			
Less than 1 year	$	2,027,091	7,313,675
1–5 years		1,434,879	906,237
More than 5 years		6,943,107	7,398,425
		10,405,077	15,618,337
Less present value discount at rates ranging from 1.8% to 6%		(3,521,701)	(3,799,712)
Less allowance for doubtful accounts		(153,870)	(151,495)
Contributions receivable, net	$	6,729,506	11,667,130
Student loans receivable	$	5,367,062	5,380,543
Less allowance for doubtful accounts		(825,700)	(795,700)
Student loans receivable, net	$	4,541,362	4,584,843

There are seven donors that have contributions receivable that represent 82% of the above contributions receivable balance at June 30, 2015 and five that represent 77% of the balance at 2014. Additionally, one donor accounted for 59% and 40% of private gifts and grants revenue during fiscal years 2015 and 2014, respectively.

(4) Land, Buildings, and Equipment, and Construction in Progress

(a) Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following as of June 30, 2015 and 2014:

		2015	2014
Land	$	15,684,066	15,684,066
Buildings		172,896,839	159,587,702
Improvements		100,047,622	96,223,998
Equipment		24,195,087	23,180,423
		312,823,614	294,676,189
Less accumulated depreciation		(143,416,474)	(133,347,618)
	$	169,407,140	161,328,571

(b) Construction in Progress

Construction in progress consists of the following projects as of June 30, 2015 and 2014:

		2015	2014
New residence hall	$	—	9,344,443
Edison Science		4,359,528	2,357,296
Wilson Hall Fire System		372,570	311,183
Football Stadium		1,213,862	821,659
Wilson Hall wiring		129,635	112,685
Woods Theatre renovations		174,282	76,904
Pozycki Hall		5,809,364	715,728
Boylan Bowling Alley		—	424,950
	$	12,059,241	14,164,848

Commitments outstanding on projects included in construction in progress as of June 30, 2015 amounted to approximately $1.6 million.

(5) Notes Payable and Mortgage Notes Payable

A summary of notes payable as of June 30, 2015 and 2014 is as follows:

		2015	2014
New Jersey Educational Facilities Authority Dormitory Safety Trust Fund Program, the University has been allocated up to $1,243,700 for the purpose of purchasing and installing sprinklers in dormitories on campus. The University has borrowed $1,243,700 of the available funds at an interest rate of 0%. Imputed interest at a rate of 4.7% is recorded as interest expense and offset by grant revenue. Payments of $60,000 per year are required through 2018 on the 2003 bonds and payments of $26,428 are required through 2016 on the 2001 bonds.	$	206,430	292,858
New Jersey Educational Facilities Authority Higher Education Capital Improvement Fund, Series 2002 A, the University has been allocated $4,587,539 for the purpose of addressing deferred maintenance and other specific capital needs. Of this amount, the University is to repay 50% or $2,293,769 plus interest at rates ranging from 3.00% to 5.25%. Payments of principal commenced August 2006 and complete in June 2023.		1,593,907	1,698,927
	$	1,800,337	1,991,785

A summary of mortgage notes payable as of June 30, 2015 and 2014 is as follows:

		2015	2014
OceanFirst Bank $20,000,000 mortgage loan, the proceeds of which were used to refinance temporary financing for the construction of new student housing and to refund and defease NJEFA Bonds 1993 Series A, 1997 Series C and 1998 Series C. Due in monthly installments at an interest rate of 5.875% per annum to April 15, 2021.	$	13,067,286	14,893,274
Brott Reality, LLC $6,000,000 mortgage loan, the proceeds of which were used to finance the purchase of the Diplomat Apartments complex. Due in monthly installments at an interest rate of 5.5% to December 2027.		5,309,440	5,597,080

		2015	2014
Anthony J. Bardaro Trust $2,706,655 mortgage loan, the proceeds of which were used to finance the purchase of the Diplomat Apartments complex. Due in monthly installments at an interest rate of 5.5% to November 2022.	$	2,142,802	2,370,596
	$	20,519,528	22,860,950

On November 30, 2012, the University closed on the purchase of the Diplomat Apartments, later to be renamed by the University, The Bluffs. The University was previously leasing the majority of the apartments in the complex for additional student residence hall space. The selling price of the Diplomat Apartments was $15,200,000. The Apartment Complex was purchased using $6,000,000 of proceeds from a mortgage with the seller, Brott Reality, LLC, $2,706,655 of proceeds from a mortgage with the Anthony J. Bardaro Trust, and the remainder of the funding coming from University funds.

The mortgage with Brott Reality, LLC holds a lien on the Diplomat Apartments and requires the University to repay the principal with interest at a rate of 5.5% in monthly installments of $49,025 through December 1, 2027.

The mortgage with the Anthony J. Bardaro Trust holds a lien on the Diplomat Apartments that is subordinate to the Brott Reality, LLC lien and requires the University to repay the principal with interest at a rate of 5.5% in monthly installments of $29,374 through November 30, 2022. The principal may not be prepaid in part and shall be pre-payable in whole only with the simultaneous payment of the following prepayment premium:

Before December 31, 2015	$	1,800,000
From January 1, 2016 to December 31, 2018		1,350,000
From January 1, 2019 to November 29, 2022		900,000

Total debt service payments due over the next five years and thereafter applicable to all of the above described notes and mortgage notes payable are as follows:

		Principal	Interest	Total
Year ending June 30:				
2016	$	2,672,139	1,202,802	3,874,941
2017		2,802,169	1,042,833	3,845,002
2018		2,966,238	876,113	3,842,351
2019		3,079,177	701,322	3,780,499
2020		3,261,462	518,668	3,780,130
Thereafter		7,538,680	998,843	8,537,523
	$	22,319,865	5,340,581	27,660,446

Total interest paid on notes and mortgage notes in 2015 and 2014 was $1,334,456 and $1,472,415, respectively.

(6) Operating Leases

The University is obligated under noncancelable operating leases with terms in excess of one year relating to rental of facilities for off-campus programs and student housing. Rental expense was $1,268,564 and $1,208,722 during 2015 and 2014, respectively. The required minimum lease payments at June 30, 2015 are as follows:

Year ending June 30:		
2016	$	1,223,773
2017		668,099
2018		678,870
2019		681,004
2020		461,766
	$	3,713,512

(7) Retirement Plans

(a) Pension Plans

The University offers a defined contribution retirement plan with Teachers Insurance and Annuity Association (TIAA), College Retirement Equities Fund (CREF), Equitable Financial Services and Fidelity Investments, which provide for the purchase of annuities and/or investments for employees.

Employees of the University are eligible to participate in the Plan and elect to have deferrals made on their behalf immediately upon hire. Employees who satisfy the eligibility criteria for their employee classification and contribute a minimum of 5% of eligible compensation are eligible to receive employer contributions. The University will contribute 8% of each faculty member's total compensation beginning the first day of the month following the completion of one year of service. For administrators, staff, police and facilities employees, the University will contribute 8% of total compensation beginning the first day of the month following the completion of two years of service.

The University's policy is to fund pension costs accrued. There is no past service liability. Pension expense under these plans aggregated $4,655,219 and $4,596,458 for the years ended June 30, 2015 and 2014, respectively.

(b) Postretirement Plan

The University is required to recognize the total accumulated postretirement benefit obligation for the University's retiree healthcare plan.

The accumulated postretirement benefit obligation as of June 30, 2015 and 2014 is $1,186,264 and $1,150,977, respectively, and is recorded in accrued payroll and fringe benefits in the statement of financial position.

(8) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 and 2014 consist of contributions and other unexpended revenues and gains available for the following purposes:

		2015	2014
Construction	$	11,045,551	10,626,706
Scholarships		5,124,286	4,234,078
Faculty chairs		3,304,928	1,802,358
Instruction		452,480	480,511
Research		2,138,401	2,078,063
Public service		236,653	239,207
Academic support		4,433,494	3,337,815
Time restricted		11,848,269	12,984,782
Operation and maintenance of plant		264,562	214,892
Other		131,898	108,896
	$	38,980,522	36,107,308

Permanently restricted net assets as of June 30, 2015 and 2014 consist of endowment contributions from donors with income to be used primarily for the following purposes:

		2015	2014
Scholarships	$	12,890,190	11,358,858
Faculty chairs		6,072,329	6,071,029
Instruction		572,984	572,984
Academic support		11,108,435	11,107,935
Operation and maintenance of plant		1,283,058	1,283,058
Student Service		295,595	—
Other		407,209	407,209
	$	32,629,800	30,801,073

(9) Endowment

The University's endowment consists of approximately 230 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. 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.

(a) Interpretation of Relevant Law

The Monmouth University Board of Trustees has interpreted the New Jersey Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the organization and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the organization

(7) The investment policies of the organization

Endowment net assets consist of the following at June 30, 2015 (in thousands):

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$	(19)	20,444	32,630	53,055
Board-designated endowment funds		27,291	—	—	27,291
Total endowed net assets	$	27,272	20,444	32,630	80,346

Endowment net assets consist of the following at June 30, 2014 (in thousands):

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ (1)	18,634	30,801	49,434
Board-designated endowment funds	27,004	—	—	27,004
Total endowed net assets	$ 27,003	18,634	30,801	76,438

Changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows (in thousands):

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, June 30, 2013	$ 23,837	13,453	29,845	67,135
Investment return:				
Investment income	460	723	—	1,183
Net appreciation	3,682	5,373	—	9,055
Total investment return	4,142	6,096	—	10,238
Contributions	44	80	956	1,080
Appropriation of endowment assets for expenditures	(1,234)	(1,918)	—	(3,152)
Transfer from funds available for operations	250	—	—	250
Unspent appropriation returned to principal	349	494	—	843
Unspent appropriation related to underwater endowments returned to principal	44	—	—	44
Reclass	(429)	429	—	—
Endowment net assets, June 30, 2014	27,003	18,634	30,801	76,438

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Investment return:					
Investment income	$	470	680	—	1,150
Net appreciation		240	430	—	670
Total investment return		710	1,110	—	1,820
Contributions		5	2,082	1,829	3,916
Appropriation of endowment assets for expenditures		(1,374)	(1,958)	—	(3,332)
Transfer from funds available for operations		500	—	—	500
Unspent appropriation returned to principal		381	556	—	937
Unspent appropriation related to underwater endowments returned to principal		47	20	—	67
Endowment net assets, June 30, 2015	$	27,272	20,444	32,630	80,346

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were approximately $19,000 and $1,200 as of June 30, 2015 and 2014, respectively. These deficiencies resulted from the decline in the markets that began in Fall 2008. Appropriations for these programs for the year ended June 30, 2015 were made from unrestricted funds.

(c) Return Objectives and Risk Parameters

The University 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 organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various benchmark indices while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide an average rate of return of approximately 10.5% annually. Actual returns in any given year may vary from this amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University 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 University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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

The University has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 36 months through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the University considered the long-term expected return on its endowment. Accordingly, over the long-term, the University expects its spending policy to allow its endowment to maintain the purchasing power of its endowment assets while providing growth through new gifts and excess investment return. If the spending appropriations for individual endowments are not able to be expended for the restricted or designated purpose or activity during the fiscal year, the unspent appropriations are returned to principal for reinvestment. The Investment Committee determines on an annual basis the prudence of spending funds related to an endowment that is considered to be underwater. Under the Board approved endowment spending policy, the 2016 appropriation is $3,640,805.

(10) Subsequent Events

The University evaluated events subsequent to June 30, 2015 and through October 28, 2015, the date on which the financial statements were available to be issued. The University concluded that there were no subsequent events to disclose.