

**ST. NORBERT COLLEGE, INC.**  
**FINANCIAL STATEMENTS AND**  
**SINGLE AUDIT COMPLIANCE REPORTS**  
**YEARS ENDED MAY 31, 2023 AND 2022**



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**ST. NORBERT COLLEGE, INC.**  
**TABLE OF CONTENTS**  
**YEARS ENDED MAY 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE</b>	<b>40</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS</b>	<b>41</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAMS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES</b>	<b>43</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>46</b>
<b>SCHEDULE OF EXPENDITURES OF STATE AWARDS</b>	<b>47</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS</b>	<b>48</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>49</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.  
De Pere, Wisconsin

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of St. Norbert College, Inc. which comprise the statements of financial position as of May 31, 2023 and 2022, and 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 financial statements referred to above present fairly, in all material respects, the financial position of St. Norbert College, Inc., as of May 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 St. Norbert College, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 accounting principles generally accepted in the United States of America, 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 St. Norbert College, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 St. Norbert College, Inc.’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 St. Norbert College, Inc.’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.

***Supplementary Information***

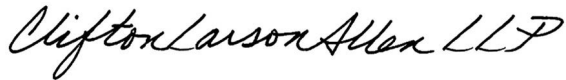
Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The financial responsibility ratio supplemental schedule and the accompanying schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Wisconsin *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the financial statements. 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.

with GAAS. In our opinion, the financial responsibility ratio supplemental schedule and the accompanying schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023, on our consideration of St. Norbert College, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Norbert College, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Norbert College, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
October 4, 2023

**ST. NORBERT COLLEGE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,188,835	\$ 9,904,795
Investments	157,513,449	157,685,191
Accounts Receivable - Student, Net	507,094	303,001
Account Receivable - Other	331,640	295,117
Notes Receivable, Net	871,447	1,226,490
Promises to Give, Net	25,770,822	3,689,345
Inventories	207,931	233,462
Deferred Charges	912,138	1,176,673
Assets Held by the Premonstratensian Fathers	21,169,442	22,221,280
Assets Held by Trustees	1,886,204	1,905,914
Beneficial Interest in Irrevocable Trust Held by Third Party	1,218,561	1,369,866
Fixed Assets, Net of Depreciation and Amortization	156,461,462	154,443,814
Other Assets	2,463,927	2,470,229
Interest Rate Swap Agreement	758,431	507,950
	<b>\$ 372,261,383</b>	<b>\$ 357,433,127</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,195,453	\$ 1,604,937
Annuities and Interest Payable	578,158	586,199
Accrued Payroll Related Expenses	3,342,985	3,236,159
Faculty Contracts Payable	2,825,951	2,756,793
Interest Payable	102,138	51,532
Lease Obligation	980,402	488,466
Funds Held in Custody for Others	352,655	326,470
Student Deposits Held in Trust	206,290	185,240
Deferred Revenue	1,481,448	1,287,567
Due to Federal Government	923,774	1,306,552
Accrued Postretirement Benefit Cost	3,258,176	2,620,995
Long-Term Debt	20,550,967	19,436,966
	35,798,397	33,887,876
<b>NET ASSETS</b>		
Without Donor Restrictions	149,963,336	157,125,407
With Donor Restrictions	186,499,650	166,419,844
Total Net Assets	336,462,986	323,545,251
Total Liabilities and Net Assets	<b>\$ 372,261,383</b>	<b>\$ 357,433,127</b>

See accompanying Notes to Financial Statements.

**ST. NORBERT COLLEGE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, SUPPORT, AND GAINS</b>			
Net Student Tuition and Fees (net of scholarships and grants of \$39,822,640)	\$ 37,105,805	\$ -	\$ 37,105,805
Government Grants and Contracts	851,388	-	851,388
Gifts and Private Grants	3,236,783	419,755	3,656,538
Endowment Income	474,435	6,069,036	6,543,471
Investment Return, Net of Fees	120,352	-	120,352
Sales and Services of Educational Activities	1,054,515	-	1,054,515
All Other Operating Revenue	2,207,879	50,624	2,258,503
Auxiliary Enterprise Revenue	20,194,228	-	20,194,228
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	6,069,036	(6,069,036)	-
Satisfaction of Time Restrictions	140,500	(140,500)	-
Total Revenues, Support, and Gains	71,454,921	329,879	71,784,800
<b>OPERATING EXPENSES</b>			
Educational and General:			
Instruction	23,690,431	-	23,690,431
Research	375,057	-	375,057
Public Service	778,270	-	778,270
Academic Support	5,235,441	-	5,235,441
Student Services	12,615,819	-	12,615,819
Institutional Support	26,941,646	-	26,941,646
Total Educational and General	69,636,664	-	69,636,664
Auxiliary Enterprise Expenses	10,120,086	-	10,120,086
Loss on Disposal of Fixed Assets	1,926,244	-	1,926,244
Net Assets Restricted	241,589	(241,589)	-
Total Operating Expenses	81,924,583	(241,589)	81,682,994
<b>CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	(10,469,662)	571,468	(9,898,194)
<b>NONOPERATING ACTIVITIES</b>			
Gifts and Private Grants	362,530	27,471,476	27,834,006
Net Loss on Investments	(532,414)	(5,091,371)	(5,623,785)
Change in Fair Value of Interest Rate Swap Agreement	250,481	-	250,481
All Other Nonoperating Revenue	201,994	153,233	355,227
Net Assets Released from Restrictions:			
Satisfaction of Time Restrictions	3,025,000	(3,025,000)	-
Total Nonoperating Activities	3,307,591	19,508,338	22,815,929
<b>CHANGE IN NET ASSETS</b>	(7,162,071)	20,079,806	12,917,735
Net Assets - Beginning of Year	157,125,407	166,419,844	323,545,251
<b>NET ASSETS - END OF YEAR</b>	\$ 149,963,336	\$ 186,499,650	\$ 336,462,986

See accompanying Notes to Financial Statements.

**ST. NORBERT COLLEGE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, SUPPORT, AND GAINS</b>			
Net Student Tuition and Fees (net of scholarships and grants of \$39,190,863)	\$ 39,868,901	\$ -	\$ 39,868,901
Government Grants and Contracts	5,572,688	-	5,572,688
Gifts and Private Grants	3,329,267	1,058,885	4,388,152
Endowment Income	1,088,742	2,620,454	3,709,196
Investment Return, Net of Fees	(5,849)	-	(5,849)
Sales and Services of Educational Activities	1,184,411	-	1,184,411
All Other Operating Revenue	2,259,567	-	2,259,567
Auxiliary Enterprise Revenue	19,605,614	-	19,605,614
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	5,701,427	(5,701,427)	-
Satisfaction of Time Restrictions	75,000	(75,000)	-
Total Revenues, Support, and Gains	78,679,768	(2,097,088)	76,582,680
<b>OPERATING EXPENSES</b>			
Educational and General:			
Instruction	22,782,575	-	22,782,575
Research	310,034	-	310,034
Public Service	679,619	-	679,619
Academic Support	5,123,823	-	5,123,823
Student Services	12,146,155	-	12,146,155
Institutional Support	27,714,052	-	27,714,052
Direct Aid to Students	2,104,195	-	2,104,195
Total Educational and General	70,860,453	-	70,860,453
Auxiliary Enterprise Expenses	9,193,851	-	9,193,851
Loss on Disposal of Fixed Assets	649,251	-	649,251
Net Assets Restricted	334,728	(334,728)	-
Total Operating Expenses	81,038,283	(334,728)	80,703,555
<b>CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	(2,358,515)	(1,762,360)	(4,120,875)
<b>NONOPERATING ACTIVITIES</b>			
Gifts and Private Grants	313,038	3,449,526	3,762,564
Net Loss on Investments	(2,730,492)	(10,784,250)	(13,514,742)
Change in Fair Value of Interest Rate Swap Agreement	736,468	-	736,468
All Other Nonoperating Revenue	147,473	155,840	303,313
Net Assets Released from Restrictions:			
Satisfaction of Time Restrictions	2,051,500	(2,051,500)	-
Total Nonoperating Activities	517,987	(9,230,384)	(8,712,397)
<b>CHANGE IN NET ASSETS</b>	(1,840,528)	(10,992,744)	(12,833,272)
Net Assets - Beginning of Year	158,965,935	177,412,588	336,378,523
<b>NET ASSETS - END OF YEAR</b>	\$ 157,125,407	\$ 166,419,844	\$ 323,545,251

See accompanying Notes to Financial Statements.



**ST. NORBERT COLLEGE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MAY 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 12,917,735	\$ (12,833,272)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Noncash Gifts	(589)	(21,446)
Loss on Disposal of Fixed Assets	1,926,244	649,251
Net Realized and Unrealized Losses (Gains) on Investments	(1,339,016)	9,470,850
Net Unrealized Gains on Interest Rate Swap	(250,481)	(736,468)
Depreciation and Amortization Expense	5,509,863	5,100,601
Amortization of Debt Issuance Costs	12,051	8,451
Change in Value of Cash Surrender Value of Life Insurance	6,302	(45,665)
Change in Beneficial Interest in Irrevocable Trust Held by Third Party	151,305	(4,637)
Effects on Changes in Assets and Liabilities:		
Accounts Receivable - Student, Net	(204,093)	98,586
Accounts Receivable - Other	(36,523)	181,237
Promises to Give, Net	(22,081,477)	1,767,747
Inventories	25,531	(62,714)
Deferred Charges	264,535	(527,276)
Other Assets	-	(14,600)
Accounts Payable	(552,854)	(273,649)
Accrued Payroll Related Expenses	106,826	(568,015)
Faculty Contracts Payable	69,158	49,825
Interest Payable	50,606	(3,167)
Funds Held in Custody for Others	26,185	27,829
Student Deposits Held in Trust	21,050	(34,910)
Deferred Revenues	193,881	(706,130)
Accrued Postretirement Benefit Cost	637,181	588,962
Net Cash Provided (Used) by Operating Activities	(2,546,580)	2,111,390
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,290,996)	(4,634,089)
Proceeds from Sale of Fixed Assets	16,050	242,200
Purchase of Investments	(2,003,061)	(2,849,488)
Proceeds from Sale of Investments	4,585,367	628,561
Student Loans Collected	354,121	590,738
Increase (Decrease) in Other Loans and Notes Receivable	922	(354)
Net Cash Used in Investing Activities	(5,337,597)	(6,022,432)

See accompanying Notes to Financial Statements.

**ST. NORBERT COLLEGE, INC.**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED MAY 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Long-Term Debt	\$ (4,033,409)	\$ (2,805,175)
Proceeds from Long-Term Debt	5,158,219	841,780
Debt Issuance Costs Paid	(22,860)	(65,407)
Net Payments on Capital Lease	(542,914)	(187,558)
Income in Excess of (Deficient of) Administration Costs of Perkins Loan Program	(382,778)	(600,629)
Decrease in Annuities and Interest Payable	(8,041)	(40,591)
Net Cash Provided by (Used in) Financing Activities	168,217	(2,857,580)
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 (7,715,960)	 (6,768,622)
Cash and Cash Equivalents - Beginning of Year	9,904,795	16,673,417
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 \$ 2,188,835	 \$ 9,904,795
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 577,126	\$ 434,551
 <b>SUPPLEMENTAL NONCASH DISCLOSURES</b>		
Donation of Fixed Assets	\$ 589	\$ 21,446
Fixed Asset Additions Included in Accounts Payable	\$ 225,448	\$ 82,078
New Finance Leases	\$ 416,455	\$ 246,740
New Operating Leases	\$ 618,395	\$ 429,284

See accompanying Notes to Financial Statements.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

St. Norbert College, Inc. (the College) was founded as a college for men in 1898 and became coeducational in 1952. The College is a private college governed by a predominately lay board of trustees. The major educational divisions are Social Sciences, Visual and Performing Arts, Humanities, Business and Economics, and Natural Sciences. The College is accredited by the North Central Association of Colleges and Secondary Schools and the National Council for the Accreditation of Teacher Education. As of July 1, 1983, the College was incorporated and funded as a separate legal entity by The Premonstratensian Fathers. The College is supported primarily through student tuition and donor contributions.

**Basis of Accounting**

The College's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Cash and Cash Equivalents**

The College considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**Receivables and Credit Policies**

Student accounts receivable are carried at the unpaid balance of the original amount billed to students. Student notes receivable are carried at the amount of unpaid principal. Both receivables are less an estimate made for doubtful accounts based on a review of all outstanding amounts. The College determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The student accounts receivable and Perkins Loan program notes receivable balances on the statements of financial position are reported net of allowances of \$420,000 and \$30,000, respectively, at May 31, 2023 and \$400,000 and \$30,000, respectively, at May 31, 2022. Student accounts and notes receivable are written-off when deemed uncollectible. Recoveries of student accounts and notes receivable previously written-off are recorded as revenue when received. Receivables are generally unsecured.

No allowance is used for other accounts receivable and notes receivable as amounts are considered to be fully collectible.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to Give**

The College records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The College determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. An allowance for uncollectible promises to give was deemed not necessary as of May 31, 2023 and May 31, 2022.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statements of activities in the period in which it occurs.

**Fixed Assets**

The College records additions of buildings and campus improvements over \$25,000 and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The College reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended May 31, 2023 and 2022.

**Collections**

The College capitalizes the College's collections at cost if purchased and at appraised or fair value if received by donation. Gains or losses on collections are recorded based on the presence or absence of donor restrictions placed on items at the date of donation. Collections are included in other assets in the statements of financial position. Any proceeds from the deaccessioning of collection items are used to acquire other items for the collection.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The College leases copier and networking equipment. The College determines if an arrangement is a lease at inception. Operating and finance leases are included in operating lease right-of-use (ROU) assets, property and equipment which are included in fixed assets, net of amortization and lease obligation on the statement of financial position.

ROU assets represent the College's right to use an underlying asset for the lease term and lease liabilities represent the College's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the College uses the College's incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The College has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The College has elected not to separate non lease components from lease components and instead account for each separate lease component and the non lease component as a single lease component.

The College's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the College considers factors such as if the College has obtained substantially all of the rights to the underlying asset through exclusivity, if the College can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the College uses the College's incremental borrowing discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets Held and Liabilities Under Split-Interest Agreements**

The College is a beneficiary of trust, annuity and pooled income funds. A description of each of these types of agreements follows:

Trust Funds

The College has entered into trust agreements whereby donors receive quarterly distributions of trust assets based upon a specified percentage of the market value of the trust assets on the valuation date. Upon the death of the donor, the remainder of the trust assets revert to the College. The College records a contribution for the fair value of trust assets received less the present value of estimated future distributions. The liability for future distributions is determined based on actuarial assumptions and is included as a liability in the statements of financial position.

Annuity Funds

The College has entered into annuity agreements whereby donors receive payments for the remainder of their life. Upon death of the donor, the remaining fund assets revert to the College. The College records a contribution for the fair value of assets received less the present value of estimated annuity payments. The liability for future annuity payments is determined based on actuarial assumptions and is included as a liability in the statements of financial position.

Pooled Income Funds

The College has entered into pooled income agreements whereby donors receive quarterly distributions of income earned by fund investments. Upon the death of the donor, the donor's equity in the fund investments is distributed to the College. The College records a contribution for the fair value of assets received. Undistributed income of the funds is recorded as a liability in the statements of financial position.

**Investments**

The College records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Refundable Perkins Loan Program Advances**

Funds provided by the United States Government pursuant to the Perkins Loan program are loaned to qualified students and may be re-loaned upon collections. Since these funds are ultimately distributed to the United States government upon termination of the program, should it occur, the advances are reflected as a liability in the accompanying statements of financial position. Included in cash and cash equivalents at May 31, 2023 and 2022 are demand deposits of \$341,629 and \$442,484, respectively, which are required by federal regulations to be maintained in separate bank accounts and are restricted for use to this program.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interest-Rate Swap**

The College uses an interest-rate swap to mitigate interest-rate risk on the College's bonds payable (Note 15). The related liability or asset is reported at fair value in the statements of financial position, and unrealized gains or losses are included in the statements of activities.

**Deferred Revenue**

Amounts collected in advance of the period they are earned are classified on the statements of financial position as deferred revenue and are recognized as revenues in the year earned.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for present and future capital improvement projects, net assets for a repair and replacement reserve, net assets for a principal and interest retirement reserve, and net assets for a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used for the acquisition of long-lived assets are recognized as revenue with donor restrictions. The College reports expirations of donor's restrictions when the donated or acquired assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The College reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Tuition and fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of May 31, 2023 and 2022.

Tuition and fee revenue is recognized over the period in which the academic courses are provided. Financial assistance in the form of institutional scholarships and grants awarded to students reduce the amount of tuition and fee revenue recognized. In addition, students who adjust their course load or withdraw completely may receive a partial refund in accordance with the College's refund policy. Refunds issued reduce the amount of revenue recognized. Payments for services are due on the first day of class for each academic term.

The College also provides auxiliary services, such as residence and food services. Revenue from these services is recognized over the period in which the good and services are provided. Students that withdraw from the College may receive a partial refund in accordance with the College's refund policy. Refunds issued reduce the amount of auxiliary revenue recognized. The College reported receivables of \$507,094, \$303,001, and \$401,588 as of May 31, 2023, 2022, and 2021 respectively, for tuition, fees, and auxiliary services.

Deferred revenues of \$1,481,448, \$1,287,567, and \$1,993,697 as of May 31, 2023, 2022, and 2021 respectively, represent performance obligations related to student tuition and fees and other miscellaneous items. The College has a number of activities that result in contract liabilities, including tuition, fees, and auxiliary services. The balance of contract liabilities, including tuition, fees, and auxiliary services, less any refunds, will be recognized as revenue over the academic term as services are rendered.

Student deposits held in trust of \$206,290, \$185,240, and \$220,150 as of May 31, 2023, 2022, and 2021, respectively, represent enrollment deposits received for future performance obligations. Deposits are returned at the end of the contract term, or revenue is recognized if deposits are forfeited.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to the College's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. The College records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended May 31, 2023 and 2022, respectively.



**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising Costs**

Advertising costs are expensed as incurred and approximated \$355,000 and \$266,000 during the years ended May 31, 2023 and 2022, respectively.

**Functional Allocation of Expenses**

Note 21 presents the natural classification detail of expenses by function for the years ended May 31, 2023 and 2022. The costs of program and supporting services activities have been summarized on a functional basis in Note 21 for the years ended May 31, 2023 and 2022. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

St. Norbert College, Inc. is organized as a Wisconsin nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A), and has been determined not to be a private foundation under IRC Section 509(a)(3). The College is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the College is subject to income tax on net income that is derived from business activities that are unrelated to the College's exempt purpose. The College files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report the College's unrelated business taxable income.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

The College manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the College has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of the College's mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the College and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the College.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Related Party Transactions**

The College received gifts and pledge payments from board of trustee members and employees of \$603,666 and \$1,016,925 for the years ended May 31, 2023 and 2022 respectively. There are no other unsecured related party receivables at May 31, 2023 or 2022.

**Subsequent Events**

The College has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through October 4, 2023, the date on which the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The College regularly monitors liquidity required to meet the College's operating needs and other contractual commitments, while also striving to maximize the investment of the College's available funds. The College has various sources of liquidity at the College's disposal, including cash and cash equivalents, marketable debt and equity securities, and lines of credit. See Note 13 for information about the College's line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to the College's ongoing activities of teaching, research, and public service, as well as the conduct of services undertaken to support these activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the College operates with a balanced budget and anticipate collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The following table shows the total financial assets held by us and the amounts of those financial assets that could readily be made available within one year of the statements of financial position date to meet general expenditures for the years ended May 31, 2023 and 2022:

	2023	2022
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 2,188,835	\$ 9,904,795
Investments	157,513,449	157,685,191
Accounts Receivable, Net	838,734	598,118
Notes Receivable, Net	871,447	1,226,490
Promises to Give	25,770,822	3,689,345
Assets Held by the Premonstratensian Fathers	21,169,442	22,221,280
Beneficial Interest in Irrevocable Trust Held by Third Party	1,218,561	1,369,866
Total Financial Assets at Year-End	209,571,290	196,695,085
Less: Those Unavailable for General Expenditure Within One Year:		
Promises to Give Collectible Beyond One Year	(510,422)	(395,945)
Restricted Promises to Give Available Within One Year	(25,260,400)	(3,293,400)
Perkins Student Loans and Cash	(1,211,138)	(1,666,114)
Board Designated Reserves	(13,517,072)	(15,865,948)
Donor Restricted Endowment Assets	(157,269,843)	(159,465,692)
Other Donor Restricted Assets	(2,371,710)	(2,389,672)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 9,430,705	\$ 13,618,314

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The College reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the college can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, the College develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the College's assessment of the quality, risk, or liquidity profile of the asset or liability.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

Following is a description of the valuation methodologies used for assets measured at fair value.

*Cash Equivalents:* Valued at cost which approximates fair value.

*Fixed Income:* Valued with an institutional bid evaluation or an institutional mid evaluation. A bid evaluation is an estimated price at which a dealer would pay for a security (typically in an institutional round lot). A mid evaluation is the average of the estimated price at which a dealer would sell a security and the estimated price at which a dealer would pay for a security (typically in an institutional round lot). Oftentimes, these evaluations are based on proprietary models which pricing vendors establish for these purposes. In some cases, there may be manual sources used when primary price vendors do not supply prices.

*Equity and Liquid Alternatives:* Valued at quoted market prices.

*Hedge Funds:* Valued based on the NAV per unit (or its equivalent) based upon the fair value of the underlying investments. NAV is used as a practical expedient to estimate fair value. The investment strategy of the hedge fund is to maximize long-term total return, consistent with prudent investment management. The funds seek to achieve its objective by investing in fixed income and large cap investment securities. The College has no additional committed capital obligations related to these hedge funds. The hedge funds offer monthly repurchases of up to 2% of NAV per month, not to exceed 5% of NAV per quarter.

*Limited Partnerships:* The College is invested in multiple limited partnerships. The limited partnerships are valued at an amount equal to the ownership interest in the partners' capital, net asset value, used as a practical expedient to estimate fair value. The limited partnerships are investment in physical real estate and debt securities to provide liquidity to investors. Redemption of partnership shares are subject to available liquidity and other repurchase restrictions. The College has approximately \$1,900,000 of uncalled committed capital obligations related to these limited partnerships. The limited partnerships offer redemption of funds at NAV with three days' notice.

*Beneficial Interest in Irrevocable Trust:* Valued at the 7% share of the trust's underlying investments. During the years ended May 31, 2023 and 2022, no amounts were transferred into or out of the beneficial interest in irrevocable trust and there were no purchases and issues of level 3 investments.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following table presents assets measured at fair value or net asset value (NAV) on a recurring basis, at May 31, 2023:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>ASSETS</b>				
Cash Equivalents	\$ 6,564,855	\$ 6,564,855	\$ -	\$ -
Fixed Income	41,178,746	-	41,178,746	-
Equity	96,622,709	96,622,709	-	-
Liquid Alternatives	15,527,793	-	15,527,793	-
Interest-Rate Swap	758,431	-	758,431	-
Beneficial Interest in Irrevocable Trust	1,218,561	-	-	1,218,561
Total Investments in the Fair Value Hierarchy	\$ 161,871,095	\$ 103,187,564	\$ 57,464,970	\$ 1,218,561
Investments Measured at Net Asset Value				
Hedge Funds	10,171,890			
Limited Partnerships	10,503,102			
Total Investments at Fair Value	\$ 182,546,087			

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following table presents assets and liabilities measured at fair value on a recurring basis, at May 31, 2022:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>ASSETS</b>				
Cash Equivalents	\$ 4,048,587	\$ 4,048,587	\$ -	\$ -
Fixed Income	36,431,199	-	36,431,199	-
Equity	88,064,655	88,064,655	-	-
Liquid Alternatives	16,967,318	-	16,967,318	-
Interest-Rate Swap	507,950	-	507,950	-
Beneficial Interest in Irrevocable Trust	1,369,866	-	-	1,369,866
Total Investments in the Fair Value Hierarchy	147,389,575	\$ 92,113,242	\$ 53,906,467	\$ 1,369,866
Investments Measured at Net Asset Value				
Hedge Funds	\$ 22,203,574			
Limited Partnerships	14,097,052			
Total Investments at Fair Value	\$ 183,690,201			

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 4 INVESTMENTS**

Investments are stated at fair value and consist of the following investment types as of May 31, 2023 and 2022:

	<u>May 31, 2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash Equivalents		\$ 5,950,745	\$ 5,950,745	\$ -
Fixed Income		43,051,257	40,514,899	(2,536,358)
Equity		75,278,529	85,016,910	9,738,381
Liquid Alternatives		15,171,548	15,527,793	356,245
Limited Partnerships		9,028,499	10,503,102	1,474,603
Total		<u>\$ 148,480,578</u>	<u>\$ 157,513,449</u>	<u>\$ 9,032,871</u>
	<u>May 31, 2022</u>			
Cash Equivalents		\$ 3,480,500	\$ 3,480,500	\$ -
Fixed Income		37,382,768	35,779,697	(1,603,071)
Equity		74,576,201	87,360,624	12,784,423
Liquid Alternatives		16,304,976	16,967,318	662,342
Limited Partnerships		11,273,250	14,097,052	2,823,802
Total		<u>\$ 143,017,695</u>	<u>\$ 157,685,191</u>	<u>\$ 14,667,496</u>

**NOTE 5 NOTES RECEIVABLE**

Notes receivable are carried at cost and consist of the following as of May 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Student Notes Receivable (Perkins Loan Program, Net of \$30,000 Allowance)	\$ 869,509	\$ 1,223,630	\$ 1,814,368
Other Notes Receivable	1,938	2,860	2,506
Total	<u>\$ 871,447</u>	<u>\$ 1,226,490</u>	<u>\$ 1,816,874</u>

As part of the Perking Loan Program, the College reported obligations \$923,774, \$1,306,552, and \$1,907,181 as of May 31, 2023, 2022, and 2021 respectively, for amounts due to the federal government.



**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 6 PROMISES TO GIVE**

Details of promises outstanding as of May 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in Less Than One Year	\$ 25,260,400	\$ 3,293,400
Receivable in One to Five Years	550,200	497,200
Gross Receivable	<u>25,810,600</u>	<u>3,790,600</u>
Less: Discount to Net Present Value at Rates		
Ranging from 3% to 6%	39,778	101,255
Total	<u>\$ 25,770,822</u>	<u>\$ 3,689,345</u>

The College considers an allowance for doubtful accounts unnecessary at May 31, 2023 and 2022.

**NOTE 7 ASSETS HELD BY THE PREMONSTRATENSIAN FATHERS**

The board of directors of The Premonstratensian Fathers has established the use of certain investments for the benefit of St. Norbert College, Inc. as an endowment. The principal of the investments must remain intact and income, on a yearly basis, may be used by the College for operating purposes, subject to approval by The Premonstratensian Fathers. Control over the investment principal and spending rests with The Premonstratensian Fathers.

Investments held by The Premonstratensian Fathers are stated at fair value and consist of the following investment types as of May 31, 2023 and 2022.

	<u>May 31, 2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash Equivalents		\$ 62,129	\$ 62,129	\$ -
Equity Funds		10,925,564	10,935,423	9,859
Hedge Funds		10,156,000	10,171,890	15,890
Total		<u>\$ 21,143,693</u>	<u>\$ 21,169,442</u>	<u>\$ 25,749</u>
	<u>May 31, 2022</u>			
Cash Equivalents		\$ 17,706	\$ 17,706	\$ -
Hedge Funds		18,052,134	22,203,574	4,151,440
Total		<u>\$ 18,069,840</u>	<u>\$ 22,221,280</u>	<u>\$ 4,151,440</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 8 ASSETS HELD BY TRUSTEES**

Various assets are held by trustees for the benefit of St. Norbert College, Inc. Detail of assets held by trustees as of May 31, 2023 and 2022 are as follows:

<u>May 31, 2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Unemployment Compensation Reserve			
Deposits:			
Certificate of Deposit - Wells Fargo	\$ 166,311	\$ 166,311	\$ -
Certificate of Deposit - BMO Harris	211,280	211,280	-
Total	<u>377,591</u>	<u>377,591</u>	<u>-</u>
Annuity and Life Income Trust Accounts:			
Pooled Income Fund No. 1	95,479	85,421	(10,058)
Pooled Income Fund No. 3	473,948	467,435	(6,513)
Charitable Remainder Trust - Kiosk	108,688	127,853	19,165
Charitable Remainder Trust - Kiosk II	94,142	99,343	5,201
Gift Annuity Program investments	<u>522,180</u>	<u>568,561</u>	<u>46,381</u>
Total	1,294,437	1,348,613	54,176
Bond Renewal and Replacement Trust			
Accounts:			
Townhouse Renewal and Replacement	160,000	160,000	-
Investments			
Total Assets Held by Trustees	<u>\$ 1,832,028</u>	<u>\$ 1,886,204</u>	<u>\$ 54,176</u>
<u>May 31, 2022</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Unemployment Compensation Reserve Deposits:			
Certificate of Deposit - Wells Fargo	\$ 166,311	\$ 166,311	\$ -
Certificate of Deposit - BMO Harris	211,288	211,288	-
Total	<u>377,599</u>	<u>377,599</u>	<u>-</u>
Annuity and Life Income Trust Accounts:			
Pooled Income Fund No. 1	96,204	89,939	(6,265)
Pooled Income Fund No. 3	474,639	486,259	11,620
Charitable Remainder Trust - Kiosk	106,744	142,917	36,173
Charitable Remainder Trust - Kiosk II	99,698	108,915	9,217
Gift Annuity Program investments	<u>475,035</u>	<u>540,285</u>	<u>65,250</u>
Total	1,252,320	1,368,315	115,995
Bond Renewal and Replacement Trust Accounts:			
Townhouse Renewal and Replacement	160,000	160,000	-
Investments			
Total Assets Held by Trustees	<u>\$ 1,789,919</u>	<u>\$ 1,905,914</u>	<u>\$ 115,995</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 9 BENEFICIAL INTEREST IN IRREVOCABLE TRUST HELD BY THIRD-PARTY**

The College is a 7.0% beneficiary of the Lucille Meusel Trust, an irrevocable perpetual trust held by J.P. Morgan Chase Bank, Green Bay. Under the terms of the trust, the College has the right to receive annually the College's portion of the revenue earned by the trust. The value of the College's share of the trust as of May 31, 2023 and 2022 was \$1,218,561 and \$1,369,866, respectively. Revenue received from the trust is included in net assets without donor restrictions.

**NOTE 10 FIXED ASSETS**

Fixed assets consists of the following at May 31, 2023 and 2022:

	2023	2022
Land	\$ 5,850,376	\$ 6,032,738
Campus Buildings	193,394,188	188,420,415
Other Buildings	5,162,385	4,864,294
Furniture and Equipment	18,143,184	18,725,662
Campus Improvements	13,320,990	11,832,626
Construction in Progress	2,391,140	1,376,543
Subtotal	<u>238,262,263</u>	<u>231,252,278</u>
Less: Accumulated Depreciation and Amortization	<u>81,800,801</u>	<u>76,808,464</u>
Total Fixed Assets, Net of Depreciation and Amortization	<u>\$ 156,461,462</u>	<u>\$ 154,443,814</u>

Depreciation and amortization expense totaled \$5,509,863 and \$5,100,601 for the years ended May 31, 2023 and 2022, respectively.

**NOTE 11 OTHER ASSETS**

Other assets consist of the following at May 31, 2023 and 2022:

	2023	2022
Gemstone Collection	\$ 20,696	\$ 20,696
Art Collection	878,575	878,575
Cash Surrender Value of Life Insurance Policies	1,550,645	1,556,947
Land Held for Appreciation:		
Parcel in Bahamas	14,011	14,011
Total	<u>\$ 2,463,927</u>	<u>\$ 2,470,229</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 12 POSTRETIREMENT BENEFITS**

The College sponsors a defined benefit postretirement plan that provides medical and life insurance for retirees and medical insurance to eligible dependents. The plan provides for continuation of medical and life insurance benefits to retirees who have attained age 55 and retired by June 1, 1995, or have been employed by us for 30 years or more as of September 1, 1995; or to retirees who meet the Rule of 80 with a minimum age of 55 and a minimum service of 20 years. The College does not fund retiree health care benefits in advance, and the College has the right to modify or discontinue the plan in the future.

The College has adopted ASC 715-60, whereby the College began to record the cost of postretirement benefits on the accrual basis as employees render services to earn the benefits and recorded a liability for the unfunded accumulated postretirement benefit obligation. The College has previously recognized the cost of providing these benefits by expensing the annual medical and insurance premiums as they were paid. These "pay-as-you go" expenses totaled \$369,589 and \$573,001 for the years ended May 31, 2023 and 2022, respectively, as medical claims paid, insurance premiums, and administrative costs paid by us exceeded premiums paid by retirees.

The College has determined the actuarial computed expense associated with these benefits for the years ended May 31, 2023 and 2022. The components of the net period postretirement benefit cost for the years ended May 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Service Cost Benefits Attributed to Service During the Period	\$ 27,266	\$ 45,351
Interest Cost on Accumulated Postretirement Benefit Obligation	105,202	74,520
Amortization of Prior Service Cost	-	-
Amortization of Loss	230,814	184,389
Net Periodic Postretirement Benefit Cost	<u>363,282</u>	<u>304,260</u>
Actual Cash Expense	(369,589)	(573,001)
Recognized Gain	643,488	857,703
Net Postretirement Expense	<u>\$ 637,181</u>	<u>\$ 588,962</u>

The assumptions used to determine the net periodic postretirement benefit cost and the accrued postretirement benefit cost were as follows:

	<u>2023</u>	<u>2022</u>
Discount Rate	4.28%	4.00%
Medical Care Cost Trend Rate:		
Under Age 65	5.40%	9.00%
Age 65 and Over	5.30%	9.00%

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 12 POSTRETIREMENT BENEFITS (CONTINUED)**

The table of actuarial computed plan assets and benefit obligations is presented below as of May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Accumulated Postretirement Benefit Obligation:		
Retirees	\$ 2,709,975	\$ 2,082,150
Fully Eligible Active Plan Participants	232,488	212,062
Other Active Plan Participants	<u>315,713</u>	<u>326,783</u>
Total	3,258,176	2,620,995
Accumulated Postretirement Benefit Obligation in Excess of Plan Assets	3,258,176	2,620,995
Prior Service Cost Not Yet Recognized in Net Periodic Postretirement Benefit Cost	<u>-</u>	<u>-</u>
Accrued Postretirement Benefit Cost Recognized in Statements of Financial Position	<u>\$ 3,258,176</u>	<u>\$ 2,620,995</u>

**NOTE 13 LINE OF CREDIT**

On May 2, 2022 the College re-established a \$10,000,000 revolving credit agreement with Associated Bank, National Association, and J.P. Morgan Chase Bank, N.A. with a maturity date of January 31, 2025. The purpose of the line of credit agreement is to provide working capital from time-to-time. The line of credit carries an interest rate equal to Term SOFR (0.79%) plus SOFR Adjustment (0.10%) and the Applicable Margin (2% per annum). No amounts are outstanding on the line of credit as of May 31, 2023 and 2022.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 14 LONG-TERM DEBT**

Bonds payable consist of the following at May 31, 2023 and 2022:

<u>Bonds</u>	<u>2023</u>	<u>2022</u>
St. Norbert College, Inc. 2022 Wisconsin Health and Education Facilities Authority Revenue Bonds, Series 2022; \$6,000,000 issued 3/10/22; due annually through 4/1/42; interest 2.37% payable to JP Morgan Chase Bank, N.A., Chicago	\$ 5,762,000	\$ 841,780
St. Norbert College, Inc. 2016 Wisconsin Health and Education Facilities Authority Revenue Bonds, Series 2016; \$20,114,453 issued throughout the 2017-2018 fiscal years; due annually through 2/1/37; interest 3.3% payable to Associated Bank, N.A, Green Bay	3,954,940	6,955,350
St. Norbert College, Inc. 2015 Wisconsin Health and Education Facilities Authority Revenue Bonds, Series 2015; \$13,345,000 issued 8/18/15; due annually through 2/1/38; adjustable interest (currently 5.12%) payable to DNT Asset Trust	8,700,000	9,280,000
St. Norbert College, Inc. 2013 Wisconsin Health and Education Facilities Authority Revenue Bonds, Series 2013; \$4,300,000 issued 12/1/13; due annually through 12/1/33; Interest 2.72% payable to JP Morgan Chase Bank, N.A., Chicago	<u>2,365,000</u>	<u>2,580,000</u>
Total Bonds	20,781,940	19,657,130
Less: Unamortized Issuance Costs	<u>230,973</u>	<u>220,164</u>
Net Long-Term Debt	<u>\$ 20,550,967</u>	<u>\$ 19,436,966</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 14 LONG TERM DEBT (CONTINUED)**

Amortization of debt issuance costs totaling \$12,051 and \$8,451 for the years ended May 31, 2023 and 2022, respectively, are included with institutional support expense in the statements of activities.

Future maturities of bonds and notes payable are as follows:

<u>Years Ending May 31,</u>	<u>Principal</u>
2024	\$ 1,284,000
2025	1,295,000
2026	1,300,000
2027	1,311,000
2028	1,323,000
Thereafter	14,268,940
Total Future Minimum Payments	<u>\$ 20,781,940</u>

The College's bond agreements are subject to covenant clauses, whereby the college is required to meet certain key financial ratios and thresholds. For its interim reporting period as well as the fiscal year ended 2023, the college did not fulfill the debt service coverage ratio of 1.2x as required by the bond agreements. The financial institutions and bonding agency have granted the college a waiver for debt service coverage ratio in fiscal year 2023. All other covenants were met as of May 31, 2023.

**NOTE 15 INTEREST RATE SWAP AGREEMENT**

In 2020, the College entered into an interest rate swap agreement for the purpose of hedging the variable interest rate on the series 2015 Wisconsin Health and Education Facilities Authority Adjustable Rate Demand Revenue Bonds. The notional amount of the swap agreement is \$9,860,000 and decreases as principal payments are made on the bonds, expiring on February 1, 2038. The College paid a fixed rate of 1.46160% and receives a variable rate equal to 79% of daily simple SOFR.

The interest rate swap agreement is recorded at fair value which is the amount at which they could be settled. The fair value of the swap agreement is recorded as an asset on the statements of financial position of \$758,431 and \$507,950, respectively, as of May 31, 2023 and 2022. The change in the fair value of the swap agreement is reflected as a change in net assets, which increased net assets without restrictions by \$250,481 and \$736,468 in the years ended May 31, 2023 and May 31, 2022 respectively.

The College is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap agreement. However, the College does not anticipate nonperformance by the counterparty.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 16 LEASES**

The College leases certain equipment which is capitalized and amortized over its useful life. The economic substance of the lease is that the College is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the College's assets and liabilities. The lease agreement contains a bargain purchase option at the end of the lease term.

Leased property under finance leases at May 31, 2023 and 2022 include the following:

	<u>2023</u>	<u>2022</u>
Finance Leases		
Equipment	\$ 1,159,384	\$ 742,929
Less: Accumulated Amortization	702,850	513,814
Total	<u>\$ 456,534</u>	<u>\$ 229,115</u>

The following is a schedule by year of future minimum payments required under the lease together with their present value as of May 31, 2023.

<u>Years Ending May 31,</u>	
2024	\$ 154,460
2025	154,460
2026	89,400
2027	89,400
Total Minimum Lease Payments	<u>487,720</u>
Less: Amount Representing Interest	37,376
Present Value of Minimum Lease Payments	<u>\$ 450,344</u>

Amortization of assets held under finance leases is included with depreciation expense.

The College has operating leases that expire over the next three years. The weighted average discount rate used for the year ending May 31, 2023 and 2022 was 3.67 percent. Variable lease payments such as sales volume are not included in the calculation of lease liabilities and ROU assets but, rather, are recognized during the year incurred.

Leased property under operating leases at May 31, 2023 include the following:

	<u>2023</u>	<u>2022</u>
Operating Leases		
Equipment	\$ 678,698	\$ 429,284
Less: Accumulated Amortization	148,640	122,499
Total	<u>\$ 530,058</u>	<u>\$ 306,785</u>



**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 16 LEASES (CONTINUED)**

The following is a schedule by year of future minimum payments required under the lease together with their present value as of May 31, 2023:

<u>Years Ending May 31,</u>		
2024	\$	162,876
2025		150,176
2026		150,176
2027		75,961
2028		28,840
Total Minimum Lease Payments		568,029
Less: Amount Representing Interest		37,971
Present Value of Minimum Lease Payments		\$ 530,058

**NOTE 17 ENDOWMENT**

The College's endowment (the Endowment) consists of several individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the board of directors.

The College has interpreted the state of Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies and have reported as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the applicable donor direction. Accumulated earnings in excess of the original value of all gifts are considered net assets with donor restrictions until appropriated for expenditure by us in a manner consistent with the standard for expenditures prescribed by WUPMIFA, at which time they are reclassified to net assets without donor restrictions.

In accordance with WUPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The general purposes of the College and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- The investment policies of the College

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 17 ENDOWMENT (CONTINUED)**

The College had the following endowment net asset composition by type of fund for the years ended May 31, 2023 and 2022:

<u>May 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Funds	\$ 13,442,734	\$ -	\$ 13,442,734
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	129,410,479	129,410,479
Accumulated Investment Gains	-	27,859,364	27,859,364
Total	<u>\$ 13,442,734</u>	<u>\$ 157,269,843</u>	<u>\$ 170,712,577</u>
<u>May 31, 2022</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Funds	\$ 13,887,363	\$ -	\$ 13,887,363
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	127,772,503	127,772,503
Accumulated Investment Gains	-	31,693,189	31,693,189
Total	<u>\$ 13,887,363</u>	<u>\$ 159,465,692</u>	<u>\$ 173,353,055</u>

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 us to retain as a fund of perpetual duration. Deficiencies of this nature exist in twenty-two donor-restricted funds, which together have an original gift value of \$2,022,029, a current fair value of \$1,927,656 and a deficiency of \$94,373 as of May 31, 2023. These deficiencies are included in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of directors.

**Investment and Spending Policies**

The College's overall investment policy has the objective to preserve capital and to obtain the best possible return on investment, commensurate with the degree of risk the College is willing to assume in obtaining such return. Endowment funds include those assets of donor-restricted funds that the College must hold in perpetuity or for donor specified periods. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed by management in coordination with the board of trustees to not expose the funds to unacceptable levels of risk.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 17 ENDOWMENT (CONTINUED)**

Changes in endowment net assets for the year ended May 31, 2023 are as follows:

<u>May 31, 2023</u>	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Investments - Beginning of Year	\$ 13,887,363	\$ 159,163,499	\$ 173,050,862
Investment Return:			
Investment Income, Net of Fees	295,603	2,971,957	3,267,560
Net Unrealized and Realized Depreciation	<u>(122,589)</u>	<u>(1,856,491)</u>	<u>(1,979,080)</u>
Total	173,014	1,115,466	1,288,480
Contributions and Other Income	199,622	2,634,576	2,834,198
Amounts Appropriated for:			
Scholarships	(223,954)	(2,487,815)	(2,711,769)
Program Expenses	<u>(593,311)</u>	<u>(3,581,221)</u>	<u>(4,174,532)</u>
Total	<u>(817,265)</u>	<u>(6,069,036)</u>	<u>(6,886,301)</u>
Endowment Investments - End of Year	13,442,734	156,844,505	170,287,239
Pledges Receivable - End of Year	<u>-</u>	<u>425,338</u>	<u>425,338</u>
Endowment Net Assets - End of Year	<u>\$ 13,442,734</u>	<u>\$ 157,269,843</u>	<u>\$ 170,712,577</u>

Changes in endowment net assets for the year ended May 31, 2022 are as follows:

<u>May 31, 2022</u>	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Investments - Beginning of Year	\$ 14,858,059	\$ 169,077,619	\$ 183,935,678
Investment Return:			
Investment Income, Net of Fees	281,172	2,723,523	3,004,695
Net Unrealized and Realized Depreciation	<u>(1,009,041)</u>	<u>(10,682,042)</u>	<u>(11,691,083)</u>
Total	(727,869)	(7,958,519)	(8,686,388)
Contributions and Other Income	255,421	3,745,826	4,001,247
Amounts Appropriated for:			
Scholarships	(207,976)	(2,244,531)	(2,452,507)
Program Expenses	<u>(290,272)</u>	<u>(3,456,896)</u>	<u>(3,747,168)</u>
Total	<u>(498,248)</u>	<u>(5,701,427)</u>	<u>(6,199,675)</u>
Endowment Investments - End of Year	13,887,363	159,163,499	173,050,862
Pledges Receivable - End of Year	<u>-</u>	<u>302,193</u>	<u>302,193</u>
Endowment Net Assets - End of Year	<u>\$ 13,887,363</u>	<u>\$ 159,465,692</u>	<u>\$ 173,353,055</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 18 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Perkins Loan Program	\$ 287,364	\$ 359,562
Athletics Gifts	405,557	213,478
Scholarship Gifts	162,000	187,000
Other Specific Purpose Gifts	657,692	417,287
Subject to the Passage of Time:		
Endowment Earnings	27,859,364	31,693,189
Pooled Life Income Funds	464,982	483,786
Cash Surrender Value of Life Insurance Policies	102,019	102,017
Pledges Receivable	<u>25,345,484</u>	<u>3,387,153</u>
Total Restricted by Purpose or Time	55,284,462	36,843,472
Perpetuity Restrictions:		
Computer Loan Program	50,609	50,609
Endowment	129,410,479	127,772,503
Pooled Life Income Funds	212,169	232,192
Annuity Funds	93,305	66,138
Cash Surrender Value of Life insurance Policies	<u>1,448,626</u>	<u>1,454,930</u>
Total Restricted by Perpetuity	<u>131,215,188</u>	<u>129,576,372</u>
Total Net Assets with Donor Restrictions	<u>\$ 186,499,650</u>	<u>\$ 166,419,844</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donor. Net assets released from restrictions for the years ended May 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Scholarships and Program Expenditures from		
Endowment Income	\$ 6,069,036	\$ 5,701,427
Satisfaction of Time Restrictions:		
Collection of Pledges - Operating Activities	140,500	75,000
Collection of Pledges - Nonoperating Activities	<u>3,025,000</u>	<u>2,051,500</u>
Total Satisfaction of Time Restrictions	<u>3,165,500</u>	<u>2,126,500</u>
Total Net Assets Released from Restrictions	<u>\$ 9,234,536</u>	<u>\$ 7,827,927</u>

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 19 NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consist of the following as of May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net Assets Designated by the Board for the Following Purpose:		
Endowment	\$ 13,442,734	\$ 13,887,363
Principal and Interest Retirement Reserve	-	1,514,804
Present and Future Capital Improvement Projects	<u>74,338</u>	<u>463,781</u>
Total Board Designated Net Assets	13,517,072	15,865,948
Invested in Fixed Assets	122,730,891	119,342,906
Undesignated Net Assets Without Donor Restrictions	<u>13,715,373</u>	<u>21,916,553</u>
 Total Net Assets Without Donor Restrictions	 <u>\$ 149,963,336</u>	 <u>\$ 157,125,407</u>

**NOTE 20 CONTINGENT LIABILITIES**

The College has identified the following item as a potential liability not recorded on the financial statements:

The College participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under the requirements of the Uniform Guidance and the *State Single Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the College's compliance with applicable grant requirements will be established at some future date. The amount of expenses which may be disallowed by the granting agencies cannot be determined at this time although the College expects such amounts, if any, to be immaterial.

**NOTE 21 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 21 FUNCTIONALIZED EXPENSES (CONTINUED)**

Functionalized expenses as of May 31, 2023 are as follows:

	Program Services	Management and General	Fundraising and Development	Total
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	\$ 28,121,911	\$ 18,362,425	\$ 1,291,292	\$ 47,775,628
Building and Grounds	4,467,502	6,041,200	172,959	10,681,661
Supplies	1,431,775	26,248	46,400	1,504,423
Professional Fees	1,128,708	2,135,291	34,448	3,298,447
Professional Activities and Travel	2,501,923	169,516	32,670	2,704,109
Miscellaneous Expenses	1,923,474	3,151,125	113,140	5,187,739
Cost of Sales	26,879	2,439,624	645	2,467,148
Depreciation and Amortization	2,776,520	2,614,748	118,595	5,509,863
Interest	316,326	297,895	13,511	627,732
Total Operating Expenses	42,695,018	35,238,072	1,823,660	79,756,750
Scholarships and Grants, Included as an Offset to Revenue	39,822,640	-	-	39,822,640
Total Cost of Operations	<u>\$ 82,517,658</u>	<u>\$ 35,238,072</u>	<u>\$ 1,823,660</u>	<u>\$ 119,579,390</u>

Functionalized expenses as of May 31, 2022 are as follows:

	Program Services	Management and General	Fundraising and Development	Total
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	\$ 28,708,779	\$ 21,125,819	\$ 1,393,930	\$ 51,228,528
Building and Grounds	2,552,009	3,467,160	88,847	6,108,016
Supplies	1,420,342	379,694	51,556	1,851,592
Professional Fees	1,201,525	2,040,535	28,325	3,270,385
Off Campus Programs	2,104,195	-	-	2,104,195
Professional Activities and Travel	2,517,232	243,750	23,673	2,784,655
Miscellaneous Expenses	1,840,478	3,129,497	145,445	5,115,420
Cost of Sales	16,582	2,042,025	920	2,059,527
Depreciation and Amortization	2,543,012	2,448,622	108,967	5,100,601
Interest	215,076	207,093	9,216	431,385
Total Operating Expenses	43,119,230	35,084,195	1,850,879	80,054,304
Scholarships and Grants, Included as an Offset to Revenue	39,190,863	-	-	39,190,863
Total Cost of Operations	<u>\$ 82,310,093</u>	<u>\$ 35,084,195</u>	<u>\$ 1,850,879</u>	<u>\$ 119,245,167</u>

Allocated expenses include depreciation and amortization, interest and operations and maintenance expenses. These expenses are based upon a percentage of spend in other functional categories.

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 22 PENSION PLAN**

The College has established a pension plan which covers substantially all lay employees. The plan is a defined contribution plan with contribution amounts set at a percentage of each employee's annual compensation. Both the College and the employee pay a portion of the pension contribution. The College's total contribution to this plan for the years ended May 31, 2023 and 2022 were \$2,476,514 and \$2,488,941 respectively.

**NOTE 23 REPURCHASE AGREEMENT**

The College entered into a repurchase agreement in 2012 under which the College sold government bonds, but agreed to repurchase the bonds at a later date. The bonds have a stated interest rate of .87% and were valued at \$91,293 at May 31, 2023 and \$140,591 at 2022. The value of the bonds are included in cash and cash equivalents in the statements of financial position.

**NOTE 24 SUPPLEMENTAL DISCLOSURES – DEPARTMENT OF EDUCATION**

The College participates in various federally funded student financial aid programs. Under regulatory provisions of these programs, the College is required to demonstrate financial responsibility by meeting a certain composite score based on a formula developed by the Department of Education. This score uses financial ratios based on the College's audited financial statements. The composite score calculation reflects the overall relative financial health of institutions along a scale of negative 1.0 to positive 3.0.

The composite score for the year ended May 31, 2023 is as follows:

Primary Reserve Ratio:			
Expendable Net Assets	\$	43,068,037	
Total Expenses/Losses	\$	81,924,583	52.57%
Equity Ratio:			
Modified Net Assets	\$	336,462,986	
Modified Assets	\$	372,261,383	90.38%
Net Income Ratio:			
Change in Net Assets Without Donor Restrictions	\$	(7,162,071)	
Total Revenues/Gains	\$	71,705,402	-9.99%

RATIO	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	0.5257	3.0000	40%	1.2
Equity Ratio	0.9038	3.0000	40%	1.2
Net Income Ratio	-0.0999	-1.0000	20%	-0.2
				2.2

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 24 SUPPLEMENTAL DISCLOSURE – DEPARTMENT OF EDUCATION (CONTINUED)**

The composite score for the year ended May 31, 2022 is as follows:

Primary Reserve Ratio:			
Expendable Net Assets	\$	29,107,545	
Total Expenses/Losses	\$	81,038,283	35.92%
Equity Ratio:			
Modified Net Assets	\$	323,545,251	
Modified Assets	\$	357,433,127	90.52%
Net Income Ratio:			
Change in Net Assets Without Donor Restrictions	\$	(1,840,528)	
Total Revenues/Gains	\$	79,416,257	-2.32%

RATIO	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	0.3592	3.0000	40%	1.2
Equity Ratio	0.9052	3.0000	40%	1.2
Net Income Ratio	-0.0232	0.4190	20%	0.1
				2.5



**ST. NORBERT COLLEGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2023 AND 2022**

**NOTE 24 SUPPLEMENTAL DISCLOSURE – DEPARTMENT OF EDUCATION (CONTINUED)**

The Department of Education issued regulations on February 23, 2019 that became effective on July 1, 2020 regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

	2023	2022								
<b>Net Assets</b>										
1 Net assets with donor restrictions: restricted in perpetuity	\$ 131,215,188	\$ 129,576,372								
2 Other net assets with donor restrictions (not restricted in perpetuity):										
a. Annuities with donor restrictions	-	-								
b. Term Endowments	27,859,364	31,693,189								
c. Line income funds (trusts)	464,982	483,786								
	\$ 28,324,346	\$ 32,176,975								
<b>Property, Plant, and Equipment, net</b>										
3 Pre-implementation property, plant, and equipment, net										
a. Ending balance of last financial statements submitted to and accepted by the Department of Education (June 30, 2019, financial statement)	\$ 162,568,836	\$ 162,568,836								
b. Reclassify capital lease assets previously included in PPE, net prior to the implementation of ASU 2016-02 leases standard	-	-								
c. Less subsequent depreciation and disposals (net of accumulated depreciation)	(24,726,331)	(16,888,003)								
d. Balance pre-implementation property, plant, and equipment, net	137,842,505	145,680,833								
4 Debt financed post-implementation property, plant, and equipment, net										
Long-lived assets acquired with debt subsequent to June 30, 2019:										
a. Equipment	-	-								
b. Land improvements	-	-								
c. Building	4,796,904	-								
d. Total property, plant, and equipment, net acquired with debt exceeding 12 months	4,796,904	-								
5 Construction in progress - acquired subsequent to June 30, 2019	-	543,274								
6 Post-implementation property, plant, and equipment, net, acquired without debt:										
a. Long-lived assets acquired without use of debt subsequent to June 30, 2019	13,822,053	8,219,707								
7 Total Property, Plant, and Equipment, net - May 31, 2023 and 2022	\$ 156,461,462	\$ 154,443,814								
<b>Debt to be excluded from expendable net assets</b>										
8 Pre-implementation debt:										
a. Ending balance of last financial statements submitted to the Department of Education (June 30, 2019):	\$ 27,416,015	\$ 27,416,015								
b. Reclassify capital leases previously included in long-term debt prior to the implementation of ASU 2016-02 leases standard.	-	-								
c. Less subsequent debt repayments	(12,865,048)	(8,820,829)								
d. Balance Pre-implementation Debt	\$ 14,550,967	\$ 18,595,186								
9 Allowable post-implementation debt used for capitalized long-live assets:										
a. Equipment - all capitalized	-	-								
b. Land improvements	-	-								
c. Buildings	4,796,904	-								
d. Balance Post-implementation Debt	4,796,904	-								
10 Construction in progress (CIP) financed with debt or line of credit	-	543,274								
11 Long-term debt not for the purchase of property, plant, and equipment or liability greater than assets value	1,203,096	298,506								
	\$ 20,550,967	\$ 19,436,966								
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Issue Date</th> <th style="text-align: left; border-bottom: 1px solid black;">Maturity Date</th> <th style="text-align: left; border-bottom: 1px solid black;">Nature of Capitalized Amounts</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount Capitalized</th> </tr> </thead> <tbody> <tr> <td>a. Mar 10, 2022</td> <td>Apr 1, 2042</td> <td>Residence Hall Renovations</td> <td style="text-align: right;">\$ 4,796,904</td> </tr> </tbody> </table>	Issue Date	Maturity Date	Nature of Capitalized Amounts	Amount Capitalized	a. Mar 10, 2022	Apr 1, 2042	Residence Hall Renovations	\$ 4,796,904		
Issue Date	Maturity Date	Nature of Capitalized Amounts	Amount Capitalized							
a. Mar 10, 2022	Apr 1, 2042	Residence Hall Renovations	\$ 4,796,904							
<b>Unsecured related-party receivables</b>										
19 Secured related-party receivables	\$ -	\$ -								
20 Unsecured related party receivables	-	-								
21 Total secured and unsecured related-party receivables	\$ -	\$ -								
<b>Sale of fixed assets (if loss)</b>										
22 Loss on sale of fixed assets	\$ -	\$ -								
23 Remaining balances in expense category in which loss on sale of assets is included on SOA	-	-								
24 Expense category in which loss on sale of assets is included on SOA	\$ -	\$ -								

**ST. NORBERT COLLEGE, INC.**  
**FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE**  
**MAY 31, 2023 AND 2022**

Primary Reserve Ratio:			2023	2022
		<b>Expendable Net Assets:</b>		
1	Statement of Financial Position (SFP)	Net assets without donor restrictions	\$ 149,963,336	\$ 157,125,407
2	SFP	Net assets with donor restrictions	186,499,650	166,419,844
3	SFP or Supplemental Disclosure (SD) Line 1	Net assets restricted in perpetuity	131,215,188	129,576,372
4	SD Line 20	Unsecured related-party receivable	-	-
5	SD Line 2d	Donor restricted annuities, term endowments, life income funds	28,324,346	32,176,975
6	SD Line 3d	Property, plant, and equipment pre-implementation	137,842,505	145,680,833
7	SD Line 4d	Property, plant, and equipment post-implementation with outstanding debt for original purchase	4,796,904	-
8	SD Line 5	Construction in progress purchased with long-term debt		543,274
9		Post-implementation property, plant, and equipment, net, acquired without debt	13,822,053	8,219,707
10	SD Line 14	Lease right-of-use asset, pre-implementation (grandfather of leases option not chosen)	-	-
11	SD Line 15	Lease right-of-use asset, post-implementation	-	-
12	SFP	Intangible assets	-	-
13	SFP	Post-employment and pension liabilities	3,258,176	2,620,995
14	SD Line 8d	Long-term debt - for long-term purposes pre-implementation	14,550,967	18,595,186
15	SD Line 9d	Long-term debt - for long-term purposes post-implementation	4,796,904	-
16	SD Line 10	Line of credit for construction in progress	-	-
17	SD Line 17	Pre-implementation, right-of-use asset liability	-	-
18	SD Line 18	Post-implementation right-of-use asset liability	-	-
		<b>Total Expenses and Losses:</b>		
19	Statement of Activities (SOA)	Total expenses (operating and nonoperating) without donor restrictions	81,924,583	81,038,283
20	SOA	Nonservice component of pension/postemployment (nonoperating) cost, (if loss)	-	-
21	SD Line 22	Sale of fixed assets (if loss)	-	-
22	SOA	change in value of interest-rate swap agreements (if loss)	-	-
		<b>Equity Ratio:</b>		
		<b>Modified Net Assets:</b>		
23	SFP	Net assets without donor restrictions	\$ 149,963,336	\$ 157,125,407
24	SFP	Net assets with donor restrictions	186,499,650	166,419,844
25	SFP	Intangible assets	-	-
26	SD Line 20	Unsecured related-party receivables	-	-
		<b>Modified Assets:</b>		
27	SFP	Total assets	372,261,383	357,433,127
28	SD Line 14	Lease right-of-use asset pre-implementation	-	-
29	SFP	Intangible assets	-	-
30	SD Line 20	Unsecured related-party receivables	-	-
		<b>Net Income Ratio:</b>		
31	SOA	<b>Change in Net Assets Without Donor Restrictions</b>	\$ (7,162,071)	\$ (1,840,528)
		<b>Total Revenues and Gains:</b>		
32	SOA	Total operating revenue (including net assets released from restrictions)	71,454,921	78,679,768
33	SOA	Investments gain, net (aggregate operating and nonoperating interest, dividends, realized and unrealized gains)	-	-
34	SOA	Nonservice component of pension/postemployment (nonoperating) cost (if gain)	-	-
35	SOA	Pension-related changes other than net periodic pension costs (if gain)	-	-
36	SOA	Change in value of annuity agreement (typically in nonoperating)	-	-
37	SOA	Change in value of interest-rate swap agreements (if gain)	250,481	736,489
38	SD Line 25	Sale of fixed assets (if gain)	-	-
39	SOA	Other gains	-	-



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.  
De Pere, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Norbert College, Inc. (the College), which comprise the statement of financial position as of May 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered St. Norbert College, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Norbert College, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of St. Norbert College, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over financial reporting may exist that were not identified.

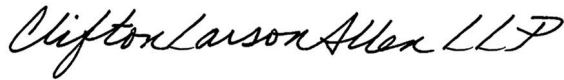
Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether St. Norbert College, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
October 4, 2023



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.  
De Pere, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

#### ***Opinion on Each Major Federal and State Program***

We have audited St. Norbert College, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Wisconsin *State Single Audit Guidelines* that could have a direct and material effect on each of St. Norbert College, Inc.'s major federal and state programs for the year ended May 31, 2023. St. Norbert College, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. Norbert College, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended May 31, 2023.

#### ***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Wisconsin *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the Wisconsin *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of St. Norbert College, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of St. Norbert College, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to St. Norbert College, Inc.'s federal and state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on St. Norbert College, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about St. Norbert College, Inc.'s compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *State Single Audit Guidelines*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 St. Norbert College, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of St. Norbert College, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of St. Norbert College, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or

Board of Directors – The Premonstratensian Fathers  
Board of Trustees – St. Norbert College, Inc.  
St. Norbert College, Inc.

state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
October 4, 2023

**ST. NORBERT COLLEGE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED MAY 31, 2023**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<i>Direct Award</i>			
Agriculture and Food Research Initiative (AFRI)			
Agriculture and Food Research Initiative Project Director Transfer	10.310	Not Assigned	\$ 8,441
<b>U.S. Department of Commerce</b>			
<i>Direct Award</i>			
National Oceanic and Atmospheric Administration	11.417	203405453	\$ 16,621
<b>U.S. Department of Justice</b>			
<i>Direct Award</i>			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus			
St Norbert College Campus Grant	16.525	Not Assigned	\$ 92,788
Catalyzing Culture Change to End Gender-Based Violence at St. Norbert College	16.525	Not Assigned	7,861
Total Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus			<u>\$ 100,649</u>
<b>U.S. Department of State</b>			
<i>Direct Award</i>			
Academic Exchange Programs-Undergraduate Programs			
Increase and Diversify Education Abroad for U.S. Students (IDEAS) Program	19.009	IDEAS21-SNC01	\$ 3,832
<b>National Science Foundation</b>			
<i>Direct Award - R&amp;D Cluster</i>			
Biological Sciences			
Collaborative Research	47.074	Not Assigned	\$ 50,605
Mathematical and Physical Sciences			
Collaborative Research	47.049	Not Assigned	33,508
RUI	47.049	Not Assigned	75,197
Total Mathematical and Physical Sciences			<u>108,705</u>
Preparation for STEM Careers			
Collaborative Research	47.076	Not Assigned	214,928
Education	47.076	Not Assigned	30,400
Total Preparation for STEM Careers			<u>245,328</u>
Total National Science Foundation - R&D Cluster			<u>\$ 404,638</u>
<b>U.S. Department of Education</b>			
<i>Direct Award</i>			
Student Financial Assistance Cluster:			
Federal Work Study Program (1)	84.033	Not Assigned	\$ 275,755
Federal Supplemental Educational Opportunity Grants (1)	84.007	Not Assigned	220,282
Federal Pell Grant Program	84.063	Not Assigned	1,450,497
Federal Perkins Loans Outstanding, Beginning of Year	84.038	Not Assigned	1,253,630
Federal Direct Loan Program	84.268	Not Assigned	9,466,307
Teacher Education Assistance for College and Higher Education Grant Program	84.379	Not Assigned	3,772
Total Student Financial Aid Cluster			<u>12,670,243</u>
Total U.S. Department of Education			<u>\$ 12,670,243</u>
Total Expenditures of Federal Awards			<u>\$ 13,204,424</u>

(1) St Norbert College allocated \$55,276 of Federal Work Study to Federal Supplemental Education Opportunity Grant Program.

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.



**ST. NORBERT COLLEGE, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**YEAR ENDED MAY 31, 2023**

<u>Grantor Agency/Program Title</u>	<u>Pass-Through Agency</u>	<u>State Number</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
<u>Wisconsin Higher Education Aids Board</u>				
Wisconsin Tuition Grant	Direct Program	235.101	\$ 1,597,322	\$ 1,597,322
Minority Undergraduate Retention Grant	Direct Program	235.107	10,630	10,630
Academic Excellence Scholarship	Direct Program	235.109	65,250	65,250
Handicapped Student Grant	Direct Program	235.112	1,800	1,800
Talent Incentive Program Grant	Direct Program	235.114	22,000	22,000
Nursing Student Loan	Direct Program	235.117	39,000	39,000
Indian Student Assistance Grant	Direct Program	235.132	2,200	2,200
Wisconsin Veteran Grant for Private Non-Profit Schools	Direct Program	235.155	7,000	7,000
Total Wisconsin Higher Educational Aids Board				<u>1,745,202</u>
Total Expenditures of State Awards				<u>\$ 1,745,202</u>

*See accompanying Notes to Schedule of Expenditures of Federal and State Awards.*

**ST. NORBERT COLLEGE, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED MAY 31, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards for St. Norbert College, Inc. (the College) are presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and the Wisconsin *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years.

The College has not elected to charge a de minimis indirect cost rate of 10% of modified total direct costs.

**NOTE 3 FEDERAL LOAN PROGRAMS**

The College administers the following federal loan programs:

Program Title	Assistance Listing Number	Amount Outstanding 5/31/2023
Federal Perkins Loan Program	84.038	\$ 899,509

Loans outstanding at the beginning of the year are included in the Schedule of Expenditures of Federal Awards. No new loans were made under the Federal Perkins Loan Program during the year ended May 31, 2023.

**NOTE 4 SUBRECIPIENTS**

The College has no sub-recipients of federal funds for the year ended May 31, 2023.

**ST. NORBERT COLLEGE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MAY 31, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes          x     none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes          x     no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes          x     none reported
2. Type of auditors’ report issued on: compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes          x     no

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

**Name of Federal Program or Cluster**

84.033 84.007  84.063 84.038 84.268 84.379	Student Financial Assistance Cluster: Federal Work Study Program Federal Supplemental Educational Opportunity Grants Federal Pell Grant Program Federal Perkins Loan Program Federal Direct Loan Program Teacher Education Assistance for College and Higher Education Grant Program
--------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?     x     yes      \_\_\_\_\_ no

**ST. NORBERT COLLEGE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MAY 31, 2023**

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**Section I – Summary of Auditors’ Results**

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**State Financial Assistance**

1. Internal control over major state programs:

- Material weakness(es) identified?            \_\_\_\_\_ yes              x   no
- Significant deficiency(ies) identified?        \_\_\_\_\_ yes              x   none reported

2. Type of auditors’ report issued on:  
compliance for major state programs:            Unmodified

3. Any audit findings disclosed that are required  
to be reported in accordance with  
the Wisconsin *State Single Audit Guidelines*?    \_\_\_\_\_ yes              x   no

**Identification of Major State Programs**

**State ID**

**Name of State Program**

235.101	Wisconsin Tuition Grant
235.112	Handicapped Student Grant
235.117	Nursing Student Loan
235.132	Indian Student Assistance Grant
235.155	Wisconsin Veteran Grant for Private Non-Profit Schools

Dollar threshold used to distinguish between  
Type A and Type B programs:                            \$250,000

Auditee qualified as low-risk auditee?              x   yes            \_\_\_\_\_ no

**ST. NORBERT COLLEGE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED MAY 31, 2023**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal and State Programs**

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Our audit did not disclose any matters required to be reported in accordance with Uniform Guidance or the Wisconsin *State Single Audit Guidelines*.

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**Section IV – Other Issues**

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Does the auditors' report or the notes to the financial statements include disclosure with regard to the substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_\_\_ yes          x     no

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Wisconsin Higher Education Aids Board      \_\_\_\_\_ yes          x     no  
Wisconsin Department of Public Instruction      \_\_\_\_\_ yes          x     no

Was a Management Letter or other document conveying audit comments issued as a result of this audit? \_\_\_\_\_ yes          x     no

Name and signature of Principal

  
\_\_\_\_\_  
Jordan Boehm, CPA

Date of report

October 4, 2023



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