

Dallas International University

Financial Statements

June 30, 2023 and 2022





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INDEPENDENT AUDITOR'S REPORT

*To the Board of Trustees
Dallas International University
Dallas, Texas*

Opinion

We have audited the accompanying financial statements of the Dallas International University (a nonprofit organization) (the "University"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas International University as of June 30, 2023, and the changes in its net assets and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dallas International University 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 Dallas International University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted 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, including omissions, 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 generally accepted 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 Dallas International University'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 Dallas International University'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.

Report on Summarized Comparative Information

We have previously audited the financial statements of Dallas International University as of June 30, 2022, and we expressed an unmodified opinion on those audited financial statements in our report dated September 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ending June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Haynie & Company

*Dallas, Texas
September 20, 2023*

DALLAS INTERNATIONAL UNIVERSITY

Statements of Financial Position

As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
<i>Current assets</i>		
<i>Cash and cash equivalents</i>	\$ 461,707	\$ 527,767
<i>Investments</i>	3,103,249	2,741,739
<i>Other current assets</i>	295,182	268,601
<i>Total current assets</i>	<u>3,860,138</u>	<u>3,538,107</u>
<i>Noncurrent assets</i>		
<i>Property and equipment, net</i>	<u>1,775,438</u>	<u>1,882,696</u>
<i>Total noncurrent assets</i>	<u>1,775,438</u>	<u>1,882,696</u>
<i>Total assets</i>	<u>\$ 5,635,576</u>	<u>\$ 5,420,803</u>
LIABILITIES AND NET ASSETS		
<i>Liabilities</i>		
<i>Accounts payable and accrued expenses</i>	\$ 39,504	\$ 110,892
<i>Deferred revenue</i>	<u>92,800</u>	<u>76,220</u>
<i>Total liabilities</i>	<u>132,304</u>	<u>187,112</u>
<i>Net assets</i>		
<i>Net assets without donor restrictions</i>		
<i>General unrestricted</i>	2,069,960	1,710,822
<i>Board designated</i>	<u>967,209</u>	<u>1,071,501</u>
<i>Total without donor restrictions</i>	<u>3,037,169</u>	<u>2,782,323</u>
<i>Net assets with donor restrictions</i>	<u>2,466,103</u>	<u>2,451,368</u>
<i>Total net assets</i>	<u>5,503,272</u>	<u>5,233,691</u>
<i>Total liabilities and net assets</i>	<u>\$ 5,635,576</u>	<u>\$ 5,420,803</u>

The accompanying notes are an integral part of these financial statements.

DALLAS INTERNATIONAL UNIVERSITY

Statements of Activities

For the Year Ended June 30, 2023

With Summarized Financial Information for the Year Ended June 30, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
<i>Revenue and support:</i>				
Donated materials and services	\$ 2,907,560	\$ -	\$ 2,907,560	\$ 2,686,680
Contracts with customers (tuition and fees)	729,491	-	729,491	819,091
Contributions	861,557	398,027	1,259,584	1,450,967
Investment return	260,425	-	260,425	(460,476)
Other income	6,418	-	6,418	7,482
Change in beneficial interest in split-interest agreements	-	28,538	28,538	188,404
Net assets released from restrictions	<u>393,503</u>	<u>(393,503)</u>	<u>-</u>	<u>-</u>
 Total revenue and support	 <u>5,158,954</u>	 <u>33,062</u>	 <u>5,192,016</u>	 <u>4,692,148</u>
 <i>Expenses</i>				
<i>Program expenses</i>				
Instructional expense	2,055,391	-	2,055,391	2,442,995
Academic support	1,247,452	-	1,247,452	621,675
Student services	640,123	-	640,123	629,053
<i>Supporting expenses</i>				
General and administrative	895,643	18,327	913,970	975,844
Development	<u>65,499</u>	<u>-</u>	<u>65,499</u>	<u>77,667</u>
 Total expenses	 <u>4,904,108</u>	 <u>18,327</u>	 <u>4,922,435</u>	 <u>4,747,234</u>
 Loss on fixed assets disposed	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Increase (decrease) in net assets	 254,846	 14,735	 269,581	 (55,086)
 Net assets at beginning of year	 <u>2,782,323</u>	 <u>2,451,368</u>	 <u>5,233,691</u>	 <u>5,288,777</u>
 Net assets at end of year	 <u>\$ 3,037,169</u>	 <u>\$ 2,466,103</u>	 <u>\$ 5,503,272</u>	 <u>\$ 5,233,691</u>

The accompanying notes are an integral part of these financial statements.

DALLAS INTERNATIONAL UNIVERSITY

Statements of Functional Expenses

For the Year Ended June 30, 2023

With Summarized Financial Information for the Year Ended June 30, 2022

	<u>Program Activities</u>				<u>Supporting Activities</u>			<u>Totals</u>	
	<u>Instructional Expenses</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total</u>	<u>2023</u>	<u>2022</u>
<i>Donated labor</i>	\$ 1,433,920	\$ 706,840	\$ 436,640	\$ 2,577,400	\$ 330,160	\$ -	\$ 330,160	\$ 2,907,560	\$ 2,686,680
<i>Salaries and benefits</i>	493,185	168,753	151,012	812,950	414,427	40,032	454,459	1,267,409	1,311,741
<i>Occupancy</i>	58,882	179,242	28,202	266,326	77,130	4,565	81,695	348,021	401,720
<i>Depreciation</i>	-	104,258	-	104,258	3,000	-	3,000	107,258	107,082
<i>Travel</i>	34,335	6,309	12,382	53,026	14,578	-	14,578	67,604	15,781
<i>Printing and supplies</i>	9,982	55,834	3,142	68,958	25,706	8,080	33,786	102,744	54,120
<i>Other</i>	17,042	7,505	7,505	32,052	16,126	8,456	24,582	56,634	82,732
<i>Public relations and recruiting</i>	7,890	69	11	7,970	2,297	522	2,819	10,789	23,873
<i>Accreditation</i>	-	16,132	-	16,132	-	-	-	16,132	8,029
<i>Memberships and fees</i>	155	2,510	1,229	3,894	2,663	3,844	6,507	10,401	32,683
<i>Professional fees</i>	-	-	-	-	27,883	-	27,883	27,883	22,793
	<u>\$ 2,055,391</u>	<u>\$ 1,247,452</u>	<u>\$ 640,123</u>	<u>\$ 3,942,966</u>	<u>\$ 913,970</u>	<u>\$ 65,499</u>	<u>\$ 979,469</u>	<u>\$ 4,922,435</u>	<u>\$ 4,747,234</u>

The accompanying notes are an integral part of these financial statements.

DALLAS INTERNATIONAL UNIVERSITY

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	2023	2022
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 269,581	\$ (55,086)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Loss on fixed assets disposed	-	-
Net investment (gain) loss	(163,038)	617,760
Depreciation and amortization	107,258	107,082
<i>Changes in:</i>		
Other current assets	(26,581)	(167,411)
Accounts payable and accrued expenses	(71,388)	14,406
Deferred revenue	16,580	(68,839)
	<u>132,412</u>	<u>447,912</u>
<i>Net cash provided by operating activities</i>		
<i>Cash flows from investing activities:</i>		
Purchases of investments, net	(198,472)	(635,703)
Purchases of property and equipment	-	(45,158)
	<u>(198,472)</u>	<u>(680,861)</u>
<i>Net cash provided by (used in) investing activities</i>		
<i>Cash flows from financing activities:</i>		
Proceeds from contributions restricted for scholarship endowments	-	-
	<u>-</u>	<u>-</u>
<i>Net cash provided by financing activities</i>		
	<u>-</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	<u>(66,060)</u>	<u>(232,949)</u>
<i>Cash and cash equivalents at beginning of year</i>	<u>527,767</u>	<u>760,716</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 461,707</u>	<u>\$ 527,767</u>
<i>Supplemental disclosures of cash flow information:</i>		
<i>Cash was paid during the year for:</i>		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization and Activities

Dallas International University (the "University") is a not-for-profit Texas corporation located in Dallas, Texas. The University was formerly known as Graduate Institute of Applied Linguistics, Inc. The purpose of the University is to operate as an institution of higher learning to provide training and research opportunities leading to undergraduate and graduate degrees in applied linguistics, culture studies, world arts, and development of languages.

Revenue Recognition

Effective January 1, 2019, the Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and related amendments, which creates a single source of revenue guidance for all companies in all industries and is more principles-based than previous revenue guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods and services. The University adopted the standard using the modified retrospective approach, results for reporting periods beginning after January 1, 2019 are presented under Topic 606.

The University's revenues consist of contributions, tuition and fees, investment income, and other income. Contributions represent 81% of the total revenues and include donated goods and services to support the ongoing operations of the University. Tuition and fees income is comprised of charges related to enrolling students in classes and providing higher education. Investment income consists of returns on the University's endowment. Other income represents revenues from special events, sales of textbooks, and other activities related to education and campus life. The University's ongoing performance obligations under the student (customer) agreements are funded by the tuition and fees received from students at the beginning of each semester. The University's tuition and fees are reported net of scholarships and discounts provided to eligible students. Tuition is recognized ratably throughout the University's academic year. All other revenue is recognized in the period performance obligation have been satisfied. As such, the adoption of this standard did not result in significant changes to the University's accounting policies, business processes, systems or controls, or have an impact on its financial position, results of operations or cash flows. Therefore, prior period financial statements were not recast and there was no cumulative effect adjustment upon adoption.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to the estimated fair value of investments, the useful lives of property and equipment, and the estimated value of donated labor. Actual results could differ from the estimates.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

Basis of Presentation

The University presents its financial statements in accordance with ASC 958, "Not-for-Profit Entities". Under ASC 958, the University is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

Net assets without donor restrictions - Includes net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees. The board has designated \$967,209 and \$1,071,501 in net assets as of June 30, 2023 and 2022 respectively.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met by the occurrence of a specific event or the passage of time. When a donor restriction expires, net assets are reclassified to net assets without donor restrictions and reported in the financial statements as net assets released from restrictions.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Reclassifications

Certain accounts were reclassified from the prior year. The reclassifications are intended to give a more accurate representation of the University's operations and did not affect the representation of the University's overall performance.

Functional Expenses

The costs of providing the University's various programs and other activities have been summarized on a functional basis in the statement of support, revenue and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

Contributions

The University accounts for contributions in accordance with ASC 958, "Not-for-Profit Entities". In accordance with ASC 958, contributions received are recorded as with or without restrictions depending on the existence and/or nature of any donor restrictions. Under ASC 958, time-restricted contributions are required to be reported as support with donor restrictions and then reclassified to net assets without donor restrictions upon expiration of the time restriction. All contributions are considered to be available for general use unless specifically restricted by the donor. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue and expenses as net assets released from restrictions.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The University reclassifies net assets from with donor restrictions to without donor restrictions at that time. No property and equipment was donated in the year ended June 30, 2023. The total for 2022 totaled \$4,348. This amount is included in contributions in the Statements of Activities.

Donated Materials and Services

Donated materials and equipment are reflected as donated revenue and support with an offsetting expense and/or addition to fixed assets in the accompanying financial statements and are recorded at fair market value at the date of acquisition.

The University accounts for contributed services received in connection with the active participation by volunteers in the University's service programs as well as for contributed services received from various organizations in connection with management, general activities, and special events. The contribution of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The estimated value of such services is reflected as donated support with an offsetting expense in the accompanying financial statements. Donated materials and services recognized for the years ended June 30, 2023 and 2022 totaled \$2,907,560 and \$2,686,680, respectively.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

Income Taxes

The University is a not-for-profit organization that is approved as a tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code and corresponding provisions of State law, except to the extent of any unrelated business income.

Management evaluates tax positions taken by the University and discloses any tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The University believes it is no longer subject to income tax examination for years prior to 2020.

Cash and Cash Equivalents

The University considers short term investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at estimated fair value. Investments restricted for long-term purposes consisted of amounts held which are restricted primarily for scholarship endowments.

Property and Equipment

Purchased property and equipment and leasehold improvements are recorded at cost. Maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred. Depreciation is computed based on the estimated useful life of the related asset ranging from 3 to 35 years using the straight-line method. Amortization of leasehold improvements is computed based on the shorter of useful life or lease term. The University capitalizes all expenditures for depreciable assets greater than \$5,000.

Deferred Revenue

Deferred revenue consists of tuition payments and other fees received in advance of their recognition as revenue.

Fair Value Measurements

In September 2006, the FASB issued ASC 820, "Fair Value Measurements and Disclosures", which among other things requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

Investments measured and reported at fair value are classified and disclosed in one of the following categories.

Level I - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments reported in Level I include listed equities, options, and corporate bonds. As required by ASC 820, the University does not adjust the quoted prices for these investments, even in situations where the University holds a large position and sale could reasonably impact the quoted price.

Level II - Pricing inputs include other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are reported in this category generally include securities such as less liquid and restricted equity securities and certain over-the-counter derivatives.

Level III - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are reported in this category generally include securities such as private equity investments, private limited partnership interests, long-term over-the-counter options, certain over-the-counter derivatives, and certain bonds for which there is not an actively trading market.

In certain cases, the inputs used to measure fair value may fall into different levels of fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the level of input with the least amount of market observability that is significant to the fair value measurement. The University's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Date of Management's Review

Subsequent events were evaluated through September 20, 2023, which is the date the financial statements were available to be issued.

2. Concentrations

The University maintains its cash and cash equivalents in deposit and brokerage accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The University has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

The University's investments are held by a single custodian. Approximately 72% and 69% of the University's donated labor is provided by an affiliated organization and approximately 46% and 45% of the University's contribution revenue is from a related party during the years ended June 30, 2023 and 2022, respectively.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

3. Related Parties

The University cooperates with not-for-profit organizations Wycliffe Bible Translators (“WBT”) and SIL International (“SIL”) in accomplishing its purpose. WBT and SIL can each nominate one of the University’s trustees, who is then approved by other voting members of the University’s board.

The University made payments of approximately \$193,592 and \$173,850 to WBT during the years ended June 30, 2023 and 2022, respectively, primarily for personnel-related costs. The University also received cash contributions of approximately \$184,023 and \$271,375 and donated labor of approximately \$2,137,160 and \$1,851,668 from WBT during the years ended June 30, 2023 and 2022, respectively. The University made payments (including lease payments) of approximately \$159,070 and \$114,490 to SIL during the years ended June 30, 2023 and 2022, respectively, primarily for facilities-related costs.

4. Liquidity

The following reflects the University’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date as well as board designated amounts.

	2023	2022
Financial assets, at year-end	\$ 3,564,956	\$ 3,269,506
Less, assets unavailable for general expenditures within one year, due to:		
Amounts held as board designated funds	(967,209)	(1,071,501)
Amounts held as donor-restricted funds	(2,466,103)	(2,451,368)
Financial assets available to meet cash needs for general expenditures within one year	\$ 131,644	\$ (253,363)

The University is primarily supported by contributions and tuition and fee revenue. As part of the University’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Board of Trustees has designated certain amounts for reserve purposes and a quasi-endowment fund. Because of the nature of the designations, these amounts are not available for general expenditure within the next year; however, the Board of Trustees could make them available, if necessary.

The University also has certain assets limited to use for donor-restricted purposes. Because a donor’s restriction requires resources to be used in a specific manner or in a future period, the University must maintain sufficient resources to meet its responsibilities to its donors. Certain other donor-restricted net assets are available for general expenditure within one year of June 30, 2023, because the restrictions on the net assets are expected to be met by conducting the normal activities of the University in the coming year.

Management of the University believes the University has sufficient cash available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

5. Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the University's investments at fair value.

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active markets for identical assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2023</u>				
Equity securities	\$ 968,940	\$ 968,940	\$ -	\$ -
Fixed income	482,410	482,410	-	-
Mutual funds	1,627,971	1,627,971	-	-
Real Estate Trusts	23,928	23,928	-	-
Total	\$ 3,103,249	\$ 3,103,249	\$ -	\$ -

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active markets for identical assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2022</u>				
Equity securities	\$ 1,015,876	\$ 1,015,876	\$ -	\$ -
Fixed income	-	-	-	-
Mutual funds	1,711,550	1,711,550	-	-
Real Estate Trusts	14,313	14,313	-	-
Total	\$ 2,741,739	\$ 2,741,739	\$ -	\$ -

The fair value of equity securities, and exchange-traded funds are based on the closing price reported on the active market where the individual securities are traded. The above amounts are reported in the accompanying statements of financial position as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Investments	\$ 1,709,357	\$ 1,351,643
Investments restricted for long-term purposes	1,393,892	1,390,096
Total investments	\$ 3,103,249	\$ 2,741,739

DALLAS INTERNATIONAL UNIVERSITY
Notes to Financial Statements

6. Property and Equipment

Property and equipment consist of the following as of June 30:

	2023	2022
Library books, journals, and other media	\$ 3,055,663	\$ 3,055,663
Computers, furniture, and equipment	310,161	310,161
Leasehold improvements	134,231	134,231
Historic religious texts	180,800	180,800
	3,680,855	3,680,855
Less: accumulated depreciation	(1,905,417)	(1,798,159)
Total property and equipment, net	\$ 1,775,438	\$ 1,882,696

Depreciation expense for the years ended June 30, 2023 and 2022 was \$107,258 and \$107,082, respectively.

7. Net Assets with Donor Restrictions

Net assets were donor-restricted for the following purposes during the year ended June 30, 2023:

	Balance as of July 1	Contributions and other changes	Releases	Balance as of June 30
Endowments	\$ 1,390,096	\$ 6,602	\$ (2,806)	\$ 1,393,892
Scholarships	451,526	189,898	(175,836)	465,588
Other projects	357,101	201,527	(233,188)	325,440
Beneficial interest in split-interest agreements	252,645	28,538	-	281,183
Total	\$ 2,451,368	\$ 426,565	\$ (411,830)	\$ 2,466,103

Net assets were donor-restricted for the following purposes during the year ended June 30, 2022:

	Balance as of July 1	Contributions and other changes	Releases	Balance as of June 30
Endowments	\$ 998,024	\$ 392,072	\$ -	\$ 1,390,096
Scholarships	414,655	245,088	(208,217)	451,526
Other projects	127,964	383,054	(153,917)	357,101
Beneficial interest in split-interest agreements	64,241	188,404	-	252,645
Total	\$ 1,604,884	\$ 1,208,618	\$ (362,134)	\$ 2,451,368

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7. Net Assets with Donor Restrictions, continued

Endowments are restricted for the following purposes:

	June 30,	
	2023	2022
Newhouse endowment scholarship	\$ 340,549	\$ 340,549
Ester endowment scholarship	328,015	330,175
Blount endowment scholarship	104,292	104,292
Wiggers endowment fund	88,105	88,105
Tozer endowment scholarship	75,597	74,597
Mayers endowed chair	69,496	70,091
Alekseyev endowment scholarship fund	61,550	61,550
Caruth endowment scholarship	55,243	55,243
Margaret Johnson endowment scholarship	50,300	50,300
Other endowments	220,745	215,194
	\$ 1,393,892	\$ 1,390,096

Distributions from endowment scholarships are restricted for providing scholarships for eligible students. Distributions from the Mayers endowed chair are restricted for support of the University's Applied Anthropology department. The University has other endowments for which distributions are restricted for various purposes.

The University preserves the estimated fair value of all original endowment gifts as of the gift date, which management deems is in compliance with state law. Accordingly, the University classifies as "net assets with donor restrictions" (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The University has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to supported programs while seeking to maintain the purchasing power of the endowment assets and to preserve the invested capital. The University seeks the advice of investment counsel, as well as management and the Board of Trustees, when determining amounts to be spent on supported programs.

8. Donated Materials and Services

Faculty and volunteers provide labor and other services for various University activities. Donated labor meeting the criteria for revenue recognition in accordance with accounting principles generally accepted in the United States of America amounted to \$2,907,560 and \$2,686,680 during the years ended June 30, 2023 and 2022, respectively, and is included in the accompanying statements of activities as "donated labor" revenue with the related expenses classified according to the benefitted function.

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9. Leases

Effective July 1, 2023, the University entered into non-cancellable operating leases for office space which expire at June 30, 2025. Minimum future lease payments for the years ending June 30 are:

2024	\$	340,063
2025		<u>373,121</u>
Total minimum lease commitments under noncancellable operating leases	\$	<u><u>713,184</u></u>

Total lease expense for the years ending June 30, 2023 and 2022 were \$284,082 and \$316,360, respectively.

10. Tuition and Fees

Tuition and fees are reported net of related discounts as follows:

	<i>For The Years Ended</i>	
	<i>June 30,</i>	
	<u>2023</u>	<u>2022</u>
Tuition and fees, gross	\$ 1,111,573	\$ 1,233,797
Scholarships and other discounts	<u>(382,082)</u>	<u>(414,706)</u>
Tuition and fees, net	<u><u>\$ 729,491</u></u>	<u><u>\$ 819,091</u></u>