

SAMUEL MERRITT UNIVERSITY

DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL SCHEDULE

Samuel Merritt University

Independent Auditors' Report, Financial Statements and Supplemental Schedule

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A Century Strong

Independent Auditors' Report

THE BOARD OF REGENTS
SAMUEL MERRITT UNIVERSITY
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of **SAMUEL MERRITT UNIVERSITY (the University)** which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expense and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of December 31, 2020 and 2019, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of changes in endowments is presented for purposes of additional analysis and is 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 audits 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 with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hood & Strong LLP

San Francisco, California
June 7, 2021

Samuel Merritt University

Statement of Financial Position

<i>December 31,</i>	2020	2019
Assets:		
Cash and equivalents	\$ 37,570,154	\$ 28,196,523
Restricted cash	1,313,318	2,387,420
Accounts receivable, net:		
Students (net of allowance of \$827,142 in 2020 and \$628,533 in 2019)	1,958,910	1,617,270
Grants	1,232,777	2,097,927
Contributions	548,295	509,921
Prepaid expenses and other assets	1,245,929	1,066,139
Investments	221,169,803	196,264,416
Notes receivable (net of allowance is \$1,346,643 in 2020 and \$704,296 in 2019)	5,497,739	5,859,543
Plant and equipment, net of depreciation	14,731,039	16,262,925
Operating lease right-of-use assets	10,195,204	9,592,638
Total assets	\$ 295,463,168	\$ 263,854,722
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 17,433,642	\$ 10,141,878
Deferred revenues and deposits	4,425,865	3,920,746
Refundable loan program advances	6,525,287	7,360,501
Other liabilities	561,003	547,055
Operating lease liabilities	11,260,644	10,624,230
Total liabilities	40,206,441	32,594,410
Net Assets:		
Without donor restrictions:		
Board Designated	873,670	1,031,885
Undesignated	183,751,270	161,527,396
Total without donor restrictions	184,624,940	162,559,281
With donor restrictions	70,631,787	68,701,031
Total net assets	255,256,727	231,260,312
Total liabilities and net assets	\$ 295,463,168	\$ 263,854,722

See accompanying notes to financial statements.

Samuel Merritt University

Statement of Activities

Year ended December 31, 2020

	Without Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Tuition and fees	\$ 87,540,773		\$ 87,540,773
Less University funded scholarships	(11,107,437)		(11,107,437)
<hr/>			
Net tuition and fees	76,433,336		76,433,336
Private gifts, grants and bequests	90,216	\$ 890,826	981,042
Government grants	1,309,977		1,309,977
Kaiser and Alameda grants	1,341,020		1,341,020
Other sources	101,352		101,352
<hr/>			
Total revenue and support	79,275,901	890,826	80,166,727
Net assets released from restrictions	6,615,092	(6,615,092)	-
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Net revenue and support	85,890,993	(5,724,266)	80,166,727
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Expenses:			
Education and general:			
Instruction	48,988,428		48,988,428
Academic support	10,182,537		10,182,537
Student services	6,457,278		6,457,278
Institutional support	19,502,573		19,502,573
<hr/>			
Total expenses	85,130,816	-	85,130,816
<hr/>			
Changes in Net Assets Before Other Activities	760,177	(5,724,266)	(4,964,089)
<hr/>			
Other Activities:			
Investment earnings:			
Realized and unrealized gains, net	17,752,948	6,260,925	24,013,873
Investment income	3,552,534	1,394,097	4,946,631
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Total other activities	21,305,482	7,655,022	28,960,505
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Change in Net Assets	22,065,659	1,930,756	23,996,415
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Net Assets, beginning of year	162,559,281	68,701,031	231,260,312
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Net Assets, end of year	\$ 184,624,940	\$ 70,631,787	\$ 255,256,727

See accompanying notes to financial statements.

Samuel Merritt University

Statement of Activities

Year ended December 31, 2019

	Without Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Tuition and fees	\$ 86,338,398		\$ 86,338,398
Less University funded scholarships	(9,343,479)		(9,343,479)
Net tuition and fees	76,994,919		76,994,919
Private gifts, grants and bequests	6,016	\$ 2,875,862	2,881,878
Government grants	280,596		280,596
Kaiser and Alameda grants	1,339,822		1,339,822
Other sources	159,073		159,073
Total revenue and support	78,780,426	2,875,862	81,656,288
Net assets released from restrictions	3,570,589	(3,570,589)	-
Net revenue and support	82,351,015	(694,727)	81,656,288
Expenses:			
Instruction	44,297,076		44,297,076
Academic support	10,226,076		10,226,076
Student services	6,133,291		6,133,291
Institutional support	18,613,047		18,613,047
Total expenses	79,269,490	-	79,269,490
Change in Net Assets			
Before Other Activities	3,081,525	(694,727)	2,386,798
Other Activities:			
Investment earnings:			
Realized and unrealized gains, net	20,342,584	7,575,472	27,918,056
Investment income	3,233,865	1,155,113	4,388,978
Total other activities	23,576,449	8,730,585	32,307,034
Loss on disposal of fixed assets	(13,063)	-	(13,063)
Change in Net Assets	26,644,911	8,035,858	34,680,769
Net Assets, beginning of year	135,914,370	60,665,173	196,579,543
Net Assets, end of year	\$ 162,559,281	\$ 68,701,031	\$ 231,260,312

See accompanying notes to financial statements.

Samuel Merritt University

Statement of Functional Expenses

Year Ended December 31, 2020

	Instruction	Academic Support	Student Services	Institutional Support		Total
				General & Administrative	Advancement	
Salaries and wages	\$ 26,389,457	\$ 5,284,468	\$ 3,150,690	\$ 5,642,501	\$ 636,885	\$ 41,104,001
Benefits	9,143,708	2,187,475	1,409,578	2,890,472	213,272	15,844,505
Purchased services	1,169,697	1,018,712	87,822	1,118,830	19,450	3,414,511
Professional fees	936,998	440,595	82,682	1,065,791	62,797	2,588,863
Repairs and maintenance	358,829	19,030	-	17,027	-	394,886
System allocation fee	-	-	-	2,781,682	-	2,781,682
Supplies	713,907	49,887	132,635	110,402	2,309	1,009,140
Depreciation	2,865,433	240,639	162,482	646,864	15,329	3,930,747
Rentals and leases	5,352,060	312,140	214,729	844,379	20,009	6,743,317
Insurance	-	-	-	832,734	-	832,734
Utilities and telephone	6,642	60,544	-	60,205	-	127,391
Travel/mileage/meals	148,098	44,994	21,204	45,854	12,372	272,522
Software	-	194,701	52,825	2,550	-	250,076
Recruiting and advertising	6,183	71,842	396,695	94,278	-	568,998
Bad debt	-	-	-	869,442	-	869,442
Other expenses	1,897,416	257,510	745,936	1,461,573	35,566	4,398,001
Total Expenses	\$ 48,988,428	\$ 10,182,537	\$ 6,457,278	\$ 18,484,584	\$ 1,017,989	\$ 85,130,816

See accompanying notes to financial statements.

Samuel Merritt University

Statement of Functional Expenses

Year Ended December 31, 2019

	Instruction	Academic Support	Student Services	Institutional Support		Total
				General & Administrative	Advancement	
Salaries and wages	\$ 24,836,082	\$ 5,193,993	\$ 3,053,340	\$ 5,522,808	\$ 359,664	\$ 38,965,887
Benefits	7,908,159	2,233,790	1,347,863	2,568,730	172,227	14,230,769
Purchased services	1,022,224	1,188,443	198,389	1,164,831	46,701	3,620,588
Professional fees	1,030,665	243,725	45,507	1,567,278	28,938	2,916,113
Repairs and maintenance	314,366	22,048	-	41,980	-	378,394
System allocation fee	-	-	-	2,752,214	-	2,752,214
Supplies	650,877	116,459	184,567	169,496	2,464	1,123,863
Depreciation	2,453,104	242,835	163,975	652,805	15,469	3,528,188
Rentals and leases	4,115,619	312,000	212,000	841,432	20,000	5,501,051
Insurance	-	-	-	669,941	-	669,941
Utilities and telephone	8,573	72,592	273	72,385	273	154,096
Travel/mileage/meals	467,661	115,011	113,428	142,487	5,796	844,383
Software	515	224,414	56,805	147,788	-	429,522
Recruiting and advertising	-	104,108	429,055	177,169	-	710,332
Bad debt expense	-	-	-	218,075	-	218,075
Other expenses	1,489,231	156,658	328,089	1,200,413	51,683	3,226,074
Total Expenses	\$ 44,297,076	\$ 10,226,076	\$ 6,133,291	\$ 17,909,832	\$ 703,215	\$ 79,269,490

See accompanying notes to financial statements.

Samuel Merritt University

Statement of Cash Flows

<i>December 31,</i>	2020	2019
Operating Activities:		
Change in net assets	\$ 23,996,415	\$ 34,680,769
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Contributions restricted for long-term use	(272,405)	(250,560)
Loss on disposal of fixed asset		13,063
Depreciation	3,930,747	3,528,188
Realized and unrealized gains, net	(24,013,873)	(27,918,056)
Changes in operating assets and liabilities:		
Accounts receivable	485,136	25,561,764
Prepaid and other assets	(179,790)	333,926
Accounts payable, accrued and other liabilities	6,835,450	(187,979)
Operating lease right-of-use assets	(602,566)	(9,592,638)
Operating lease liabilities	636,414	10,624,230
Deferred revenues and deposits	505,119	(25,557,213)
Net cash provided by operating activities	11,320,647	11,235,494
Investing Activities:		
Acquisitions of fixed assets	(1,928,599)	(3,175,042)
Purchases of investments	(10,719,501)	(14,552,976)
Proceeds from the sale of investments	9,827,987	12,115,413
Student loans activity, net	361,804	(186,240)
Net cash used by investing activities	(2,458,309)	(5,798,845)
Financing Activities:		
Contributions restricted for long term use	272,405	250,560
Payments of government loan funds	(1,758,001)	(18,613)
Advances received of government loan funds	922,787	736,838
Net cash (used) provided by financing activities	(562,809)	968,785
Net Increase in Cash and Equivalents and Restricted Cash	8,299,529	6,405,434
Cash and Equivalents and Restricted Cash, beginning of year	30,583,943	24,178,509
Cash and Equivalents and Restricted Cash, end of year	\$ 38,883,472	\$ 30,583,943
Supplementary Information:		
Capital expenditures included in accounts payable	\$ 470,262	\$ 969,193
Reconciliation of Cash and Equivalents and Restricted Cash to Amounts Shown on the Statement of Financial Position:		
Cash and equivalents	\$ 37,570,154	\$ 28,196,523
Restricted cash	1,313,318	2,387,420
Total cash and equivalents and restricted cash shown in the statement of cash flows	\$ 38,883,472	\$ 30,583,943

See accompanying notes to financial statements.

Samuel Merritt University

Notes to Financial Statements

Note 1 - Organization and Operations:

Samuel Merritt University (the University) is a specialized institution of higher education; its main campus is located in Oakland, California, which offers doctoral, masters and baccalaureate degrees in health sciences. Its primary fields of study are nursing, occupational therapy, physical therapy, physician assistant and podiatric medicine. The University started developing another location in 2018 in Fresno, California to broaden the number of potential students able to avail themselves of the University's academic offerings.

The University is a California nonprofit public benefit corporation whose sole corporate member is Sutter Bay Hospitals. Sutter Bay Hospitals' sole corporate member is Sutter Health (Sutter).

The University's operations are primarily funded through revenue generated by tuition and fees. Additionally, the University receives private contributions from donors that increase the University's ability to provide instruction.

The University assists students in financing their education through private and institutional awards as well as federal student aid programs.

The University is accredited by WASC Senior College and University Commission. The University programs are accredited by Accredited Council for Occupational Therapy Education, California Board of Registered Nursing, Commission on Collegiate Nursing Education, Commission on Accreditation in Physical Therapy Education, Council on Accreditation of Nurse Anesthesia Educational Programs, Accreditation Review Commission on Education for the Physician Assistant, and Council on Podiatric Medical Education. Accreditations are required for participation in federal and state student financial aid programs.

Note 2 - Significant Accounting Policies:

a. Basis of Presentation

The University's financial statements are prepared on an accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for not-for-profit organizations which classifies resources into two net asset categories pursuant to any donor-imposed restrictions and applicable law. The categories are net assets without donor restrictions and net assets with donor restrictions.

b. Cash Equivalents

The University considers all instruments with a maturity of three months or less at the time of purchase to be cash equivalents, except for cash equivalents included in and managed with the University's pooled investments.

Samuel Merritt University

Notes to Financial Statements

c. Restricted Cash

Restricted cash represents cash that is restricted for specific purposes, including cash held in trust for students and alumni and cash for the University's federal loan programs.

d. Investments

Non-pooled investments in marketable equity securities are carried at fair value based upon the observable quoted market prices. Realized investment gains or losses are determined based upon the carrying values of specific investment sold.

Pooled investments are mainly invested in marketable securities by Sutter under its investment pools. The pooled investments are carried at fair value based upon the University's proportional share of the investments.

e. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The University classifies its financial assets and liabilities measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the University's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

Certain investments that are measured using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The NAV amounts presented in the table in Note 4 are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

f. Notes Receivable

Notes receivable consist principally of Federal student loans which bear interest at 3 to 5 percent annually. The notes are generally payable in monthly installments over a 10-year period beginning nine months after graduation.

g. Plant and Equipment

Plant and equipment are stated at cost, if purchased, or estimated fair value at date of receipt, if donated. Depreciation is recorded using the straight-line method over estimated useful lives of 10 to 40 years for buildings and improvements, 3 to 25 years for furniture and equipment, and 7 years for library resources. The University conducts a physical inventory of plant and equipment every five years. The most recent inventory was conducted in 2018.

Samuel Merritt University

Notes to Financial Statements

h. Refundable Loan Program Advances

The University records funds received for federally funded student loans as refundable advances. The amount includes U.S. Department of Education and U.S. Department of Health and Human Services funds received and interest earned on the loans less certain allowable costs.

i. Description of Net Assets

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The governing board has designated certain amounts from net assets without donor restriction for the board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-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. 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. If a restriction is fulfilled in the same fiscal year in which the contribution is received, the University classifies the support as net assets without donor restrictions.

j. Revenue Recognition

Tuition revenue, reflected net of reductions for institutional student aid, are recorded as revenue during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic period. Payments received for tuition for future periods are reported as deferred revenue.

The University recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give that have measurable performance or other barriers and a right of return are not recognized until the conditions on which they depend have been met. Pledges receivable represent amounts committed by donors that have not been received by the University. Pledges are discounted to their estimated net present value using risk adjusted interest rates applicable to the years in which the promises are received.

Government grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Grant revenue is recorded when the requirements are met and incurrence of expense are made.

Samuel Merritt University

Notes to Financial Statements

The University reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. 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 to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of assets other than cash are recorded at their estimated fair value as of the date donated.

k. Charitable Remainder Trust Receivable

Charitable remainder trust receivable represents the estimated net present value of the University's remainder interest in various irrevocable trusts held by third-party trustees. It is estimated that such receivables will be collected in periods beginning after 2020. The net present value of these receivables was actuarially determined using IRS life annuities and mortality tables and an annual investment return of 1.65 percent.

l. Functional Expense Allocations

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses such as depreciation, technology and facility department needs a period expenses are allocated between program services and institutional support on the basis of square footage.

m. Income Taxes

The principal activities of the University are exempt from income taxes under provisions of the U.S. Internal Revenue Code, Section 501(c) (3) and the California Tax Code.

Management evaluated the University's tax positions and concluded that the University had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

n. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Samuel Merritt University

Notes to Financial Statements

o. Endowment Funds

For endowments that donors have not specifically defined a spending policy, State law allows the University to appropriate so much of net appreciation on endowment investments as is prudent considering the University's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The University's endowment spending policy allows the appropriation of between 4% and 5% of the quarterly rolling average market value of assets in the endowed fund(s), based on at least 12 and at most 20 quarters of data. Amounts appropriated for spending may exceed actual realized earnings from endowments.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation including investments in pooled investments managed by Sutter, a related party, that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Board of Regents of the University has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as perpetually restricted net assets a) the original value of gifts donated to the perpetual endowment, b) the original value of subsequent gifts to the perpetual endowment, and c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as donor restricted net assets until those amounts are appropriated for expenditures by the University in a manner consistent with the standard of prudence prescribed by SPMIFA.

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

- 1) The duration and preservation of the fund
- 2) The purposes of the University and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation

Samuel Merritt University

Notes to Financial Statements

- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the University
- 7) The investments policies of the University

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor or SPMIFA requires the University to retain as a fund of perpetual duration which is referred to as underwater. At December 31, 2020 and 2019 there were no funds that were underwater.

p. Student Accounts and Loan Receivables and Government Funds

Student tuition accounts receivable are recorded at net realizable value. Student accounts receivables are written off when deemed uncollectible. Recoveries of student accounts receivable previously written off are recorded when received.

Collection or development of payment plans for tuition is required prior to registration for the following term. A student account receivable is considered to be past due if a payment is not made by the payment due date unless the student had previously agreed to the terms of a payment plan and maintains that payment plan in good standing.

Student loans receivable are carried at the amount of unpaid principal. Student loans are written off when deemed uncollectible and may be assigned to the Department of Education. Recoveries of student loans receivable previously written off are recorded when received. After a student is no longer enrolled in an institution of higher education and after a grace period, interest is charged on student loans receivable and is recognized as it is paid. Late charges are charged if payments are not paid by the payment due date and are recognized as they are charged. Student loans receivable are considered to be past due if a payment is not made within 30 days of the payment due date. After loans receivable become past due, the accrual of late charges is suspended. Students may be granted a deferment, forbearance or cancellation of their student loan receivable based on eligibility requirements defined by the Department of Education and the University. Under an arrangement with the Federal Government, portions of the principal and interest due on student notes receivable may be canceled under certain conditions. The University receives directly or acts as a pass-through agent for a variety of federal financial aid programs.

Student loan funds received from the Federal Government under revolving loan programs are reflected as liabilities in the statement of financial position.

Samuel Merritt University

Notes to Financial Statements

q. New Accounting Pronouncements:

Pronouncements Effective in the Future

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation and disclosures for contributed nonfinancial assets (in-kind contributions). The ASU is effective for the University for the fiscal year beginning after June 15, 2021 with early application permitted. The adoption of ASU 2020-07 is not expected to have a significant impact on the University's financial statements.

r. Reclassifications

Certain 2019 amounts were reclassified to conform to the 2020 presentation. There was no effect on the Statement of Financial Position or the Statement of Activities as a result of these reclassifications.

s. Subsequent Events

The University evaluated subsequent events from December 31, 2020 through June 7, 2021, the date these financial statements were available to be issued, and has determined that there were no material subsequent events that required recognition or additional disclosure in these financial statements other than those noted at Note 15.

Samuel Merritt University

Notes to Financial Statements

Note 3 - Liquidity Management:

The following reflects the University's financial assets at December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the balance sheet date because of the contractual or donor-imposed restrictions. Amounts not available include amounts set aside as board-designated funds, which with the approval of the board could be drawn upon.

	2020	2019
Cash	\$ 37,570,154	\$ 28,196,523
Investments	221,169,803	196,264,416
Receivables	3,739,982	4,225,118
	<u>262,479,939</u>	<u>228,686,057</u>
Contractual or donor-imposed restrictions:		
Endowment funds	(55,680,821)	(53,229,293)
Other donor restrictions	(14,950,966)	(15,471,738)
Charitable remainder trust receivable	(483,258)	(421,063)
Private equity – illiquid investments	(6,755,888)	(6,413,410)
Board designations – endowment	(873,670)	(1,031,885)
	<u>(78,744,603)</u>	<u>(76,567,389)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 183,735,336	\$ 152,118,668

The University structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

Investments held for operations and board designations are in liquid securities and cash accounts.

Samuel Merritt University

Notes to Financial Statements

Note 4 - Fair Value Measurements of Financial Instruments:

The University's assets measured at fair value on a recurring basis consisted of the following as of December 31:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	2020 Significant Other Inputs (Level 2)		2020 Total
Non-pooled investments:				
Cash equivalents	\$ 35,243		\$	35,243
U.S. equity securities	92,009,965			92,009,965
U.S. corporate securities	44,774,345			44,774,345
<hr/>				
Total	136,819,553			136,819,553
<hr/>				
Pooled investments:				
Cash equivalents	1,795,751			1,795,751
Equity securities:				
U.S. equity securities	14,203,182			14,203,182
Foreign equity securities	9,601,171			9,601,171
Fixed income securities:				
U.S. government securities	3,074,853			3,074,853
U.S. government agencies securities		\$ 27,525		27,525
U.S. state and local government securities		234,575		234,575
U.S. federal agency mortgage backed securities		2,599,931		2,599,931
Foreign government securities		792,971		792,971
U.S. corporate securities		4,147,944		4,147,944
Foreign corporate securities		1,287,997		1,287,997
<hr/>				
Total	\$ 28,674,957	\$ 9,090,943		37,765,900
<hr/>				
Other pooled investments measured at net asset value (NAV)				46,584,350
<hr/>				
Grand total – non-pooled and pooled investments				\$ 221,169,803

Samuel Merritt University

Notes to Financial Statements

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	2019 Significant Other Inputs (Level 2)		2019 Total
Non-pooled investments:				
Cash equivalents	\$ 46,442		\$	46,442
U.S. equity securities	76,042,113			76,042,113
U.S. corporate securities	40,907,885			40,907,885
Total	116,996,440			116,996,440
Pooled investments:				
Cash equivalents	1,544,719			1,544,719
Equity securities:				
U.S. equity securities	13,068,244			13,068,244
Foreign equity securities	9,532,584			9,532,584
Fixed income securities:				
U.S. government securities	2,327,839			2,327,839
U.S. government agencies securities		\$ 7,201		7,201
U.S. state and local government securities		345,555		345,555
U.S. federal agency mortgage backed securities		2,853,147		2,853,147
Foreign government securities		1,077,618		1,077,618
U.S. corporate securities		3,778,939		3,778,939
Foreign corporate securities		1,301,422		1,301,422
Total	\$ 26,473,386	\$ 9,363,882		35,837,268
Other pooled investments measured at net asset value (NAV)				43,430,708
Grand total – non-pooled and pooled investments				\$ 196,264,416

Pooled investments held by Sutter are invested in the above types of securities. The University does not own individual investments in the pool. The University owns a certain percentage of the total pooled investments held by Sutter. The fair values recorded for each investment category are based on proportional percentage owned by the University to each investment category in the pooled investments fund held by Sutter. There are no restrictions on these pooled investments funds.

Samuel Merritt University

Notes to Financial Statements

Net Asset Value Disclosure:

The University uses the NAV under the so-called “practical expedient” to determine the fair value of all underlying investments which do not have readily determinable fair value and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

The following table lists investments valued at NAV as of December 31:

	Fair Value		Redemption Frequency	Redemption Notice Frequency
	2020	2019		
Comingled funds				
- U.S. equity securities	\$ 5,607,262	\$ 4,214,137	Daily	1 day
Comingled funds				
- foreign equity securities	12,019,430	10,730,788	Monthly	5-30 days
Comingled funds				
- debt securities	927,760	1,737,791	Daily, Monthly	3-15 days
Commodity - linked funds	1,808,552	1,531,602	Daily	None
Multi-strategy hedge funds	19,465,458	18,802,980	Monthly, Quarterly	10-120 days
Private equity funds	1,429,967	1,107,714	None	None
Private equity real estate funds	5,325,921	5,305,696	None	None
	<u>\$ 46,584,350</u>	<u>\$ 43,430,708</u>		

Commingled funds – U.S. and foreign equity securities: This class includes investments in commingled funds that invest primarily in U.S. or foreign equity securities and attempt to match the returns of specific equity indices. As of December 31, 2020, approximately 32% of this class is redeemable daily with a 1-day notice period. The remaining 68% of this class is redeemable monthly with a notice period of 5 to 30 days.

Samuel Merritt University

Notes to Financial Statements

Commingled funds – debt securities: This class includes investments in commingled funds that invest primarily in foreign debt, of which the majority are traded in over-the-counter markets. As of December 31, 2020, these funds are redeemable daily with a notice period of 3 to 15 days

Commodity-linked funds: This class includes commodity-linked funds that pursue long-only fully collateralized commodity futures strategies to provide diversification and inflation protection. As of December 31, 2020, these funds are redeemable daily with no notice period.

Hedge funds: This class includes investments in hedge funds that expand the universe of potential investment approaches available by employing a variety of strategies and techniques within and across various asset classes. The primary objective for these funds is to balance returns, while limiting volatility by allocating capital to external portfolio managers selected for expertise in one or more investment strategies that may include, but are not limited to, equity long/short, event driven, relative value, and directional. The following summarizes the redemption criteria for the hedge fund portfolio as of December 31, 2020:

% of Hedge Funds	Redemption criteria	Notice period
67%	Redeemable monthly	10-90 days
8%	Redeemable quarterly	45-150 days
1%	Redeemable within one year, with quarterly gates from 25% to 100%	65 days
8%	Limited to a 25% gate, redeemable quarterly	60-90 days
1%	One-year lock-ups expiring through July 2021	75-90 days
12%	Two-year rolling lock-up expiring in December 2021 and quarterly gate limited to 10% annually	60-120 Days
3%	Redeemable over five years after a rolling annual election with quarterly payments or limited to a 5% quarterly gate	120 days

Private equity funds: This class includes domestic and foreign private equity funds that specialize in providing capital to a variety of investment groups including, but not limited to venture capital, averaged buyout, mezzanine debt, distressed debt, and other strategies, which may include land, water processing, and alternative energy. There is no provision for redemptions during the life of these funds.

Private equity real estate funds: This class includes domestic and foreign investments in real estate that are held in limited partnership funds, joint ventures, and other investments comprised of retail, office, industrial, and multi-family properties. There is no provision for redemptions during the life of these funds.

Samuel Merritt University

Notes to Financial Statements

Note 5 - Notes Receivable:

Notes receivable constituted the University's student loans receivable as follows:

December 31, 2020	<u>Perkins Loans</u>	<u>HPSL Loans</u>	<u>NSL Loans</u>	<u>Institutional Loans</u>	<u>Total</u>
Notes Receivable	\$ 919,418	\$ 1,772,248	\$ 2,437,418	\$ 1,715,089	\$ 6,844,173
Less allowance for doubtful accounts:					
Beginning of year	(367,649)	(175,403)	(148,169)	(13,075)	(704,296)
Decrease (Increase)	(276,459)	(294,244)	(75,136)	3,701	(642,138)
End of year	(644,108)	(469,647)	(223,305)	(9,374)	(1,346,434)
Notes Receivable, net	\$ 275,310	\$ 1,302,601	\$ 2,214,113	\$ 1,705,715	\$ 5,497,739

December 31, 2019	<u>Perkins Loans</u>	<u>HPSL Loans</u>	<u>NSL Loans</u>	<u>Institutional Loans</u>	<u>Total</u>
Notes Receivable	\$ 1,201,918	\$ 1,814,049	\$ 2,318,088	\$ 1,229,784	\$ 6,563,839
Less allowance for doubtful accounts:					
Beginning of year	(367,649)	(175,403)	(138,368)	(13,075)	(694,495)
Decrease (Increase)			(9,801)		(9,801)
End of year	(367,649)	(175,403)	(148,169)	(13,075)	(704,296)
Notes Receivable, net	\$ 834,269	\$ 1,638,646	\$ 2,169,919	\$ 1,216,709	\$ 5,859,543

The availability of funds for loans under the Federal programs is dependent on reimbursement to the pool by receiving repayments on outstanding loans. Funds advanced by the Federal Government and other programs are \$6,525,287 and \$7,360,501 at December 31, 2020 and 2019, respectively. These funds are ultimately refundable to the government and are classified as liabilities in the statement of financial position. Outstanding loans canceled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

No new Perkins Loans are available effective December 31, 2016. The University is still collecting on previous issued outstanding Perkins notes.

Samuel Merritt University

Notes to Financial Statements

Health Professional Student Loans (HPSL) are only available to qualifying students enrolled in the Podiatric program.

Nursing Student Loans (NSL) are only available to qualifying students enrolled in any of the Nursing programs.

Institutional Loans are designed for students that have a tuition balance and are paying overtime. There are specific qualifications that need to be met by each applicant. The University management's approval is required for these loans.

Note 6 - Contributions Receivable:

Unconditional contributions receivable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Charitable remainder trusts receivable	\$ 483,258	\$ 421,063
Pledges receivable, net of \$0 allowance in 2020 and 2019	65,037	88,858
	<u>\$ 548,295</u>	<u>\$ 509,921</u>

All pledges receivable, contracts and grants are expected to be collected in the following year.

At December 31, 2020, there was one conditional contribution from a single donor for amount of \$1,000,000 based on enrollment in a specific program. The same donor has contributed approximately \$1.7 million through multiple grants during the fiscal year.

Note 7 - Plant and Equipment:

Plant and equipment at December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Buildings and leasehold improvements	\$ 16,010,918	\$ 14,168,088
Furniture and equipment	23,415,188	21,430,848
Construction in progress	170,247	1,599,573
Library resources	263,110	259,608
	<u>39,859,463</u>	<u>37,458,117</u>
Less accumulated depreciation and amortization	<u>(25,128,424)</u>	<u>(21,195,192)</u>
	<u>\$ 14,731,039</u>	<u>\$ 16,262,925</u>

Land related to buildings is owned by Sutter.

Samuel Merritt University

Notes to Financial Statements

Note 8 - Endowment Funds:

Endowment net asset composition by type of fund as of December 31, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds		\$ 55,680,821	\$ 55,680,821
Board designated funds	\$ 873,670		873,670
Total Endowment Funds	\$ 873,670	\$ 55,680,821	\$ 56,554,491

Changes in endowment net assets for the year ended December 31, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net assets, beginning of year	\$ 1,031,885	\$ 53,229,291	\$ 54,261,176
Investment return:			
Investment income, net	19,169	1,102,977	1,122,146
Realized gain	34,949	2,959,646	2,994,595
Unrealized gain	26,536	2,027,735	2,054,271
Total net appreciation	80,654	6,090,358	6,171,012
Contributions	57,596	272,405	330,001
Appropriation of endowment assets for expenditure	(296,465)	(3,911,233)	(4,207,698)
Net assets, end of year	\$ 873,670	\$ 55,680,821	\$ 56,554,491

Samuel Merritt University

Notes to Financial Statements

Endowment net asset composition by type of fund as of December 31, 2019:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds		\$ 53,229,291	\$ 53,229,293
Board designated funds	\$ 1,031,885		1,031,883
Total Endowment Funds	\$ 1,031,885	\$ 53,229,291	\$ 54,261,176

Changes in endowment net assets for the year ended December 31, 2019:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net assets, beginning of year	\$ 1,086,675	\$ 47,189,544	\$ 48,276,219
Investment return:			
Investment income, net	19,176	902,962	922,138
Realized gain	53,367	2,499,652	2,533,019
Unrealized gain	70,787	3,493,108	3,563,895
Total net appreciation	143,330	6,895,722	7,039,052
Contributions		250,560	250,560
Appropriation of endowment assets for expenditure	(198,120)	(1,106,535)	(1,304,655)
Net assets, end of year	\$ 1,031,885	\$ 53,229,291	\$ 54,261,176

Samuel Merritt University

Notes to Financial Statements

Note 9 - Donor Restricted - Net Assets:

Endowments are restricted by donors to be invested in perpetuity. Income from endowment related net assets are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Scholarship	\$ 10,133,948	\$ 9,863,510
Programs and general operations	20,792,531	20,790,564
	<hr/>	
Total corpus of donor endowments	\$ 30,926,479	\$ 30,654,074

Net assets with donor purpose restrictions are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Scholarship	\$ 11,546,584	\$ 12,679,848
Program	28,158,724	25,367,109
	<hr/>	
Total purpose restricted net assets	\$ 39,705,308	\$ 38,046,957

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

	<u>2020</u>	<u>2019</u>
Utilized for scholarship	\$ 3,666,782	\$ 3,066,373
Utilized for general operating purposes	2,948,310	504,216
	<hr/>	
Total releases	\$ 6,615,092	\$ 3,570,589

Samuel Merritt University

Notes to Financial Statements

Note 10 - Related Party Transactions:

Sutter and some of its affiliates provide the University with offices and classrooms in Oakland and various services. Total charges for the offices and classrooms in Oakland by Sutter was \$3,999,996 in 2020 and 2019 for each year. Charges for various services include:

- Allocation of shared systems operations of \$2,781,682 in 2020 and \$2,752,214 in 2019
- 403(b) contributions of \$1,468,007 in 2020
- Temporary staffing of \$626,657 in 2020 and \$582,991 in 2019
- Flexible spending of \$379,850 in 2020 and \$404,403 in 2019
- Insurance and healthcare premiums of \$1,397,973 in 2020 and \$923,425 in 2019
- Human Resources Service Chargeback of \$197,963 in 2020 and \$160,580 in 2019
- Other miscellaneous services of \$117,286 in 2020 and \$37,110 in 2019

In addition, Sutter provides vendor payment service to all the University's external vendors, including corporate purchasing card accounts, which is then reimbursed by the University.

As of December 31, 2020 and 2019, net payable due to Sutter and its applicable affiliates related to transactions above was \$5,205,761 and \$1,436,315, respectively.

See Note 14 for information about benefit plans in which the University participates with Sutter. The 403(b) plan administration was changed in August 2020 such that Sutter collects and transmits the contributions.

Note 11 - Deferred Compensation Plan:

Employees with a minimum of one year of service are eligible to participate in the University's deferred compensation 403(b) plan. The employer contribution consists of 5% of employee compensation plus an additional 2%, provided the employee contributes at least 2% of eligible compensation. The University contributed \$2,297,403 and \$2,210,951 to the plan during the years ended December 31, 2020 and 2019, respectively.

Note 12 - Concentrations of Risk:

The primary concentrations of market risk exist in the cash and investments areas.

The University has cash deposits, including restricted cash, in financial institutions in excess of federally insured limits at December 31, 2020 and 2019.

To address concentration of market risk in the investment area, the University maintains a formal investment policy which sets out performance criteria, investment guidelines and requires review of the investment performance.

Samuel Merritt University

Notes to Financial Statements

The University grants credit to students in the normal course of operations and the credit risk with respect to these receivables is generally considered minimal due to the wide dispersion of receivables among individual students.

Note 13 - Advertising and Fundraising Expenses:

Advertising expense for the years ended December 31, 2020 and 2019 were \$276,116 and \$295,253, respectively. Fundraising expense for the years ended December 31, 2020 and 2019 were \$1,017,989 and \$703,215, respectively.

Note 14 - Commitments and Contingencies:

The University has various commitments and is contingently liable in connection with litigious claims and contracts arising in the normal course of its activities. In addition, the University receives funds from various federal and state government student financial aid programs which are subject to audit by these governmental agencies. University management believes that the outcome of such matters will not have a significant effect on the financial position of the University.

Leases

The University leases property under operating leases. The related assets and obligations are recorded at the present value of lease payments over the term of the agreements. Many of the University's leases include rental escalation clauses, renewal options and/or termination options that are factored into the determination of lease payments. Variable lease payments are non lease services related to the lease and are excluded from the ROU asset and lease liabilities and recognized in the period in which the obligation of those payments is incurred. The University does not include renewal options in the lease terms for calculating the lease liability as the University maintains operational flexibility and is not reasonably certain the renewal options will be exercised. Most of the University's leases do not provide a readily determinable implicit rate in the contract, therefore, the incremental borrowing rate is estimated to discount the lease payments based on information available at lease commencement. Upon adoption of the new lease standard, discount rates for existing leases were established at January 1, 2019.

The University elected the package of practical expedients permitted under the transition guidance within the new leasing standard, which among other things, allowed the historical lease classification not to be reassessed. The University made an accounting policy election to not apply the recognition requirements of the guidance to short-term leases with a term of 12 months or less for equipment and vehicle classes of assets. The University also made an accounting policy election to not separate non-lease components from lease components for all classes of assets. The University did not elect the hindsight practical expedient, which permits entities to use hindsight in determining the lease term and assessing impairment.

As of December 2020 and 2019, the weighted-average operating leases remaining term is 5 years and the weighted average operating lease discount rate is 3.6% and 3.3%, respectively.

Samuel Merritt University

Notes to Financial Statements

The operating lease cost for the years ended December 31, 2020 and 2019 was \$2,792,256 and \$1,505,452 respectively and the variable lease cost for the same period was \$619,469 and \$343,461, respectively.

Supplemental cash flow information related to the University's operating leases are as follows:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Operating cash outflows for amounts included in the measurement of operating lease liabilities:	\$ 2,691,746	\$ 2,281,315
Right-of-use assets obtained in exchange for operating lease obligations:	\$ 2,973,925	\$ 3,620,378

Future lease payments as of December 31, 2020 for operating leases are:

2021	\$ 2,732,836
2022	2,888,526
2023	2,754,876
2024	1,631,738
2025	1,271,897
Thereafter	888,052
	<u>12,167,925</u>
Less imputed interest	(907,281)
	<u>\$ 11,260,644</u>

On January 1, 2015, Sutter began charging for space it owns in Oakland that the University occupies under a verbal arrangement. The annual charge was \$3,999,996 in 2020 and 2019, as disclosed in Note 10. This arrangement does not meet the definition of a lease under the new standard. Therefore, the agreement has not been included in the assets or liabilities recorded as a result of the adoption of the new lease standard and payments related to this agreement are not included in the future lease payment table above.

Self-Insured Health Insurance

The University participates in a self-insured health insurance plan which is controlled and administered by Sutter Bay Hospitals. The limit of self-insurance is \$750,000 per claim. The provisions for estimated health insurance claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported in accordance with past experience. Such claim reserves are based on the best data available to Sutter Bay Hospitals; however, these estimates are subject to a significant degree of inherent variability.

Samuel Merritt University

Notes to Financial Statements

Accordingly, there is at least a reasonable possibility that a material change to the estimated reserves will occur in the near term. Such estimates are continually monitored and reviewed and reserves are adjusted; the differences are reflected in current operations. The University paid \$4,971,494 and \$4,802,752 for claims during 2020 and 2019, respectively. There is no liability being carried at the University level in 2020 and 2019.

Post-Retirement Health Benefit Plan

The University participates in Sutter's noncontributory post-retirement health benefit plan called Sutter Health Retiree Health Care Account Plan. Sutter allocated \$169,713 and \$162,809 in post-retirement medical insurance expenses to the University in 2020 and 2019, respectively. This expense is reflected in the statement of activities as allocated benefits across the educational and general expense categories. The accumulated liability is reflected in the statement of financial position as part of the accounts payable and accrued liabilities. The balance of the liability owed to the Sutter post-retirement health benefit plan was \$2,105,842 and \$1,936,129 as of December 31, 2020 and 2019, respectively.

Note 15 - COVID-19 Pandemic and CARES Act Funding:

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. Many federal, state and local governmental agencies have declared a state of emergency and issued a variety of recommendations impacting travel, group gatherings, etc. As a result, this has significantly impacted the University's operations in many ways. The University has moved all classes to distance learning platforms. There were delays in four cohorts of one academic program that were due to begin studies in 2020. This negatively impacted the University's tuition and fee revenue but was partially offset by reductions in related program expenses. The University is considering enacting measures to fully offset the negative financial impact of this delay. Subsequently, the University is offering a hybrid learning model with both on-line and in-person instruction where possible.

In addition, the University participated in government funded opportunities that have provided a critical funding cushion in this uncertain time. This includes the Coronavirus Aid Relief and Economic Security Act (CARES Act) funding opportunities through Higher Education Emergency Relief Fund (HEERF). This program has enabled the University to continue forward with the growth plans in a more secure position given the broader uncertainty facing the society in general, and higher education more specifically.

During 2020 the University received \$841,525 from CARES Act funding which was used for student emergency aid and institutional expenses incurred when moving the campus to 100% distance learning and remote work as order by the State government. In 2021 the University is scheduled to receive over \$1.2 million dollars from HEERF II funding which will be used for additional student emergency aid and institutional needs. It is expected that the University will be received additional funding from the approved third round of funds called the American Rescue Plan Act.

Samuel Merritt University

Supplemental Schedule of Changes in Endowments

December 31, 2020

	December 31, 2019 Corpus	Contributions of Assets	Reclassifications	Total Changes	December 31, 2020 Corpus	Board Designated Funds	Accumulated Unspent Earnings	December 31, 2020 Fair Market Value
Endowment Funds:								
Ella Sweep Award/Loan Fund	\$ 15,739	\$ 0	\$ 0	\$ 0	\$ 15,739	\$	\$ 82,846	\$ 98,585
Dr. Howard & Patricia Milliken Scholarship-EF	141,127	0	0	0	141,127		33,466	174,593
Dr. H. M. "Mac" Reynolds Endowed Scholarship	117,419	0	0	0	117,419		32,222	149,641
Charlotte and Dan Clinkenbeard Scholarship Fund	70,000	0	0	0	70,000		100,544	170,544
Donald E. Kessler Scholarship	153,164	0	0	0	153,164		494,283	647,447
Cynthia Attwood-Gwen Tudor Memorial Scholarship Fund	6,369	0	0	0	6,369		11,106	17,475
Kathryn M. Livingston Scholarship Fund	5,190	0	0	0	5,190		19,454	24,644
Chaffee E. Hall & Emmy L. Hall Nursing Scholarship	25,579	0	0	0	25,579		46,186	71,765
Silvio P. Marraccini Scholarship Fund	0	0	0	0	0		0	0
Mr. and Mrs. Richard L. Highsmith Scholarship Fund	276,740	2,500	0	2,500	279,240		482,637	761,877
Ava Pischel Elliott Scholarship Fund	66,268	200	0	200	66,468		54,825	121,293
Henry & Bernice Bigge Scholarship Fund	18,231	2,700	0	2,700	20,931		41,343	62,274
Mabel Eugenia Hale Scholarship Fund	60,000	0	0	0	60,000		133,263	193,263
Betty Reed Moffitt Scholarship Fund	62,485	200	0	200	62,685		41,131	103,816
Juanita Hanan Wilson Scholarship Fund	14,033	0	0	0	14,033		12,666	26,699
Stella Seaton Memorial Scholarship Fund	7,774	0	0	0	7,774		14,487	22,261
Peter D. and Jennie Lim Shiu Memorial Scholarship Fund	30,492	300	0	300	30,792		30,223	61,015
Velora Buscher Memorial Scholarship Fund	19,840	0	0	0	19,840		23,502	43,342
William Randolph Hearst Endowed Scholarship Fund	200,000	0	0	0	200,000		152,615	352,615
Ed and Marilyn Chovanes Scholarship Fund	6,875	0	0	0	6,875		18,060	24,935
William Breslin Physical Therapy Scholarship Fund	5,922	0	0	0	5,922		9,324	15,246
President's Office	1,200,000	0	0	0	1,200,000		3,140,451	4,340,451
Ecker Family Endowed Scholarship Fund	553,087	116,788	0	116,788	669,875		44,697	714,572
David M. and Oolah B. Evans Physical Therapy Scholarship Fund	37,174	890	0	890	38,064		18,144	56,208
Bernice E. Fornoff Nursing Scholarship Fund	11,200	0	0	0	11,200		8,333	19,533
Hitchcock Heydman Endowed Scholarship Fund	87,951	0	0	0	87,951		67,549	155,500
Ken and Jean Hofmann Nursing Scholarship Fund	178,340	0	0	0	178,340		224,382	402,722
Gordon "Skip" Huber Endowed Geriatric Nursing Scholarship Fund	108,578	0	0	0	108,578		153,231	261,809
Page Subtotal	\$ 3,479,577	\$ 123,578	\$ 0	\$ 123,578	\$ 3,603,155	\$ 0	\$ 5,490,970	\$ 9,094,125

Samuel Merritt University

Supplemental Schedule of Changes in Endowments

December 31, 2020

	December 31, 2019 Corpus	Contributions of Assets	Reclassifications	Total Changes	December 31, 2020 Corpus	Board Designated Funds	Accumulated Unspent Earnings	December 31, 2020 Fair Market Value
Endowment Funds:								
Subtotal from Previous Page	\$ 3,479,577	\$ 123,578	\$ 0	\$ 123,578	\$ 3,603,155	\$ 0	\$ 5,490,970	\$ 9,094,125
Helen M. Hussey Scholarship Fund	40,000	0	0	0	40,000		48,841	88,841
Elaine Jeffers Jennings '47 Scholarship Fund	24,690	0	0	0	24,690		17,957	42,647
Louise F. Graziano Endowment Fund	173,891	0	0	0	173,891		462,877	636,768
Robert N. Nelson M.D. Scholarship Fund	22,283	0	0	0	22,283		14,939	37,222
Yuri Nishimura Scholarship Fund	25,610	600	0	600	26,210		41,709	67,919
Northbr\$AC Woman's Club Nursing Scholarship Fund	15,306	0	0	0	15,306		25,311	40,617
Providence College of Nursing Alumni Scholarship Fund	66,354	100	0	100	66,454		33,306	99,760
Shirley P. Fisher '50 Endowed Nursing Scholarship Fund	107,055	150	0	150	107,205		26,330	133,535
Paul C. Samson Professorial Chair	173,840	0	0	0	173,840		921,097	1,094,937
Nursing Education Endowment Fund	9,529,805	0	0	0	9,529,805		8,054,766	17,584,571
Operating Educational Endowment Fund	57,112	0	0	0	57,112		166,773	223,885
Marshall Steel Jr. Scholarship Fund	984,953	0	0	0	984,953		856,993	1,841,946
Strommen/Dillashaw Award Fund	11,370	0	0	0	11,370		10,952	22,322
Student Body Association Endowed Fund	21,133	0	0	0	21,133		15,927	37,060
Mark A. Swift Jr. Memorial Scholarship Fund	51,566	1,000	0	1,000	52,566		47,063	99,629
Sutter Health, Sacramento Sierra Regional Endowed Scholarship Fund	380,025	0	0	0	380,025		334,553	714,578
Tavi M. Van Ogle '88 Endowed Nursing Scholarship Fund	61,016	0	0	0	61,016		43,003	104,019
Sarah B. Keating Nursing Scholarship Fund	23,524	407	0	407	23,931		14,431	38,362
Chuck Rovinski Memorial Scholarship Fund	15,219	500	0	500	15,719		14,665	30,384
Leland S. Scott, Jr. Family Scholarship Fund	9,310	0	0	0	9,310		10,646	19,956
Dolores V. Barbera Endowed Nursing Scholarship Fund	288,116	0	0	0	288,116		272,732	560,848
Margaret Camp Fisher '36 Endowed Nursing Scholarship Fund	25,160	0	0	0	25,160		18,190	43,350
Anita M. Heeney Endowed Nursing Scholarship Fund	50,000	0	0	0	50,000		43,342	93,342
Sharon Clark Diaz Endowed Scholarship Fund	796,711	750	0	750	797,461		420,231	1,217,692
Sharon Clark Diaz Endowed - Board Designated Funds						675,000	114,962	789,962
Cumulative Subtotal	\$ 16,433,626	\$ 127,085	\$ 0	\$ 127,085	\$ 16,560,711	\$ 675,000	\$ 17,522,566	\$ 34,758,277

Samuel Merritt University

Supplemental Schedule of Changes in Endowments

December 31, 2020

	December 31, 2019 Corpus	Contributions of Assets	Reclassifications	Total Changes	December 31, 2020 Corpus	Board Designated Funds	Accumulated Unspent Earnings	December 31, 2020 Fair Market Value
Endowment Funds:								
Cumulative Subtotal from Previous Page	\$ 16,433,626	\$ 127,085	\$ 0	\$ 127,085	\$ 16,560,711	\$ 675,000	\$ 17,522,566	\$ 34,758,277
Eleanore William Holland P'44 Endowed Nursing Scholarship Fund	36,350	0	0	0	36,350		23,655	60,005
Carole O'Shea Endowed Nursing Scholarship Fund	109,500	2,500	0	2,500	112,000		60,075	172,075
Dr. William and Phyllis Lowe Endowed Scholarship Fund	106,499	1,052	0	1,052	107,551		54,481	162,032
Dr. William and Doreen Wong Podiatric Medicine Endowed Sclarship Fund	60,175	0	0	0	60,175		36,361	96,536
Charles H. Johnson '38 Podiatric Medicine Scholarship Fund	7,300	0	0	0	7,300		6,711	14,011
Tom C.and Rose Lim Luey '51Endowed Nursing Scholarship Fund	33,883	1,000	0	1,000	34,883		12,629	47,512
CSPM Alumni and Associates Endowed Scholarship Fund	180,317	53,690	0	53,690	234,007		92,851	326,858
The Thelma C. and Robert W. Scott Endowed Nursing Scholarship Fund	600,234	0	0	0	600,234		243,682	843,916
Cockcroft Family Endowed Scholarship Fund	114,822	10,000	0	10,000	124,822		45,958	170,780
The Scott Beamer Endowed Memorial Fund	184,432	0	0	0	184,432		184,819	369,251
Eugene A. & Virginia Falaschi Memorial Scholarship Fund	29,350	200	0	200	29,550		14,907	44,457
The Pradip and Rekha Choksi Endowed Occupational Therapy Scholarship Fund	232,619	0	0	0	232,619		159,277	391,896
The Alameda-Contra Costa Medical Association Auxiliary, District 1 Endowed Nursing Scholarship Fund	129,000	0	0	0	129,000		49,430	178,430
The Bernard Osher Foundation Endowed Scholarship Fund	1,000,000	0	0	0	1,000,000		458,490	1,458,490
Jane Steel Nursing Endowment Fund	4,949,913	0	0	0	4,949,913		2,222,545	7,172,458
The Lucille Engel '44 Endowed Nursing Scholarship Fund	50,000	0	0	0	50,000		16,365	66,365
Pegge Shuman Houser Endowed Scholarship Fund	45,272	0	0	0	45,272		27,788	73,060
Mary E. Robinson Endowed Scholarship Fund	49,889	1,205	0	1,205	51,094		16,190	67,284
R. Shapiro Family Foundation Physical Therapy Endowed Scholarship Fund	75,250	5,000	0	5,000	80,250		21,074	101,324
Geraldine "Gerri" Adams Endowed Scholarship Fund	48,276	884	0	884	49,160		13,564	62,724
Theodore L. Deffinger, DPM Endowed Scholarship Fund	61,290	0	0	0	61,290		31,950	93,240
Regents Diversity Scholarship Fund	203,620	0	0	0	203,620		62,291	265,911
Cumulative Subtotal	\$ 24,741,617	\$ 202,616	\$ 0	\$ 202,616	\$ 24,944,233	\$ 675,000	\$ 21,377,659	\$ 46,996,892

Samuel Merritt University

Supplemental Schedule of Changes in Endowments

December 31, 2020

	December 31, 2019 Corpus	Contributions of Assets	Reclassifications	Total Changes	December 31, 2020 Corpus	Board Designated Funds	Accumulated Unspent Earnings	December 31, 2020 Fair Market Value
Endowment Funds:								
Cumulative Subtotal from Previous Page	\$ 24,741,617	\$ 202,616	\$ 0	\$ 202,616	\$ 24,944,233	\$ 675,000	\$ 21,377,659	\$ 46,996,892
Mark K. Reynolds Fund for Technology and Academic Instruction	55,452	1,967	0	1,967	57,419		28,466	85,885
CPMA Endowed Scholarship Fund	16,260	0	0	0	16,260		5,199	21,459
Virginia Oneto Volponi '39 Endowed Scholarship	96,187	2,450	0	2,450	98,637		25,245	123,882
David Daniel Beaton '09 Memorial Scholarship	30,655	1,700	0	1,700	32,355		14,543	46,898
Niesjie (Rye) Huber PhD, RN Endowed Nursing Scholarship	26,243	(50)	0	(50)	26,193		6,583	32,776
The Karen Lynn Garrison Memorial Nursing Scholarship Fund	100,782	0	0	0	100,782		34,825	135,607
Dr. Stephen J.F. Zuber '69 Endowed Podiatric Medicine Scholarshi	48,709	(51)	0	(51)	48,658		14,427	63,085
Tracey Teruya Memorial Fund	14,400	0	0	0	14,400		19,917	34,317
Alameda Contra Costa Podiatric Medical Society Scholarship Func	2,000	1,000	0	1,000	3,000		537	3,537
Dr. Wesley J. Endo '69 Endowed Podiatric Medicine Sholarship Fu	25,487	200	0	200	25,687		6,166	31,853
Irma P. Walker-Adame' Podiatric Medicine Endowed Scholarship I	3,046	20,571	0	20,571	23,617		3,846	27,463
Baldini Frisone Endowed Scholarship Fund	5,700	6,000	0	6,000	11,700		943	12,643
President Ching-Hua Wang Endowed Scholarship Fund	25,010	31,552	0	31,552	56,562		7,040	63,602
CAFFE Alameda Contra Costa Pod Med Society Schol	28,992	0	0	0	28,992		7,624	36,616
CAFFE Dr RM Barnes Pod Med Schol	26,426	0	0	0	26,426		8,234	34,660
CAFFE Heather Barton Memorial Pod Med Schol	25,984	0	0	0	25,984		9,591	35,575
CAFFE Dr Mel Barton Pod Med Schol	13,155	150	0	150	13,305		4,813	18,118
CAFFE Blaine Labs, Inc Pod Med Schol	13,748	0	0	0	13,748		5,021	18,769
CAFFE Dr RL Brennan Memorial Pod Med Schol	25,316	0	0	0	25,316		7,890	33,206
CAFFE Dr TH Clarke Pod Med Schol	28,522	0	0	0	28,522		9,360	37,882
CAFFE CCPM Class of 1963 Schol	57,143	0	0	0	57,143		13,896	71,039
CAFFE CCPM Class of 1972 Schol	32,541	300	0	300	32,841		9,880	42,721
CAFFE Codingline Pod Med Scholarship	21,110	0	0	0	21,110		6,647	27,757
CAFFE Dr JE Green Pod Med Schol	76,629	3,000	0	3,000	79,629		22,672	102,301
CAFFE Drs J Hultman'70 & F Kase'76 Pod Med Schol	25,505	0	0	0	25,505		9,330	34,835
CAFFE Dr EG Kaplan Memorial Pod Med Schol	25,639	0	0	0	25,639		8,312	33,951
CAFFE Dr BS Kelly Pod Med Scholarship	47,944	0	0	0	47,944		15,488	63,432
CAFFE Shirley Lanham Pod Med Scholarship	16,123	0	0	0	16,123		5,038	21,161
CAFFE Lawrence Family Pod Med Scholarship	19,422	0	0	0	19,422		5,401	24,823
CAFFE LA County Pod Med Society Schol	13,367	0	0	0	13,367		4,955	18,322
CAFFE Dr B Mullens Memorial Pod Med Schol	17,417	0	0	0	17,417		5,522	22,939
CAFFE Joseph Oloff Memorial Pod Med Schol	14,975	0	0	0	14,975		5,484	20,459
CAFFE Orange Cnty/Santa Clara Velley Med Soc Schol	12,964	0	0	0	12,964		4,805	17,769
CAFFE Drs JD'31 & JW'66 Pagliano Memorial Pod Med Schol	19,589	0	0	0	19,589		6,138	25,727
CAFFE Dr GH Riess'44 Memorial Pod Med Schol	60,965	0	0	0	60,965		18,985	79,950
Cumulative Subtotal	\$ 25,815,024	\$ 271,405	\$ 0	\$ 271,405	\$ 26,086,429	\$ 675,000	\$ 21,740,482	\$ 48,501,911

Samuel Merritt University

Supplemental Schedule of Changes in Endowments

December 31, 2020

	December 31, 2019 Corpus	Contributions of Assets	Reclassifications	Total Changes	December 31, 2020 Corpus	Board Designated Funds	Accumulated Unspent Earnings	December 31, 2020 Fair Market Value
Endowment Funds:								
Cumulative Subtotal from Previous Page	\$ 25,815,024	\$ 271,405	\$ 0	\$ 271,405	\$ 26,086,429	\$ 675,000	\$ 21,740,482	\$ 48,501,911
CAFFE Dr M Root'52 Memorial Pod Med Schol	51,567	0	0	0	51,567		16,187	67,754
CAFFE Dr RL Rutherford'40 Memorial Pod Med Schol	25,351	0	0	0	25,351		8,207	33,558
CAFFE San Diego County Pod Med Society Schol	21,274	1,000	0	1,000	22,274		5,890	28,164
CAFFE Dr JH Weed'63 Memorial Pod Med Schol	25,485	0	0	0	25,485		8,248	33,733
CAFFE Dr RA Wood'27 Memorial Pod Med Schol	25,182	0	0	0	25,182		8,131	33,313
CAFFE Dr B Zier Pod Med Scholarship	51,019	0	0	0	51,019		16,488	67,507
Michelle Le Memorial - Quasi Endowment Fund	0	0	0	0	0	25,000	899	25,899
Hanes Burkart - Quasi Endowment Fund	0	0	0	0	0	57,596	213	57,809
CSPM Endowments:								
The Endowment for the Advancement of Podiatric Medical Education	4,625,172	0	0	0	4,625,172		3,034,557	7,659,729
Dr. Milton Wolfson Endowment Fund	14,000	0	0	0	14,000		31,114	45,114
Grand Total	\$ 30,654,074	\$ 272,405	\$ 0	\$ 272,405	\$ 30,926,479	\$ 757,596	\$ 24,870,416	\$ 56,554,491
							Total Endowment Net Assets	\$ 56,554,491
							Unrestricted - Undesignated	183,751,270
							With donor restriction - non-endowed - Education and General Purposes	14,950,966
							Total Net Assets	\$ 255,256,727