# Financial Report

## 2023–2024

GONZAGA UNIVERSITY

# Table of Contents

# Gonzaga University
## Letter from the Chief Financial Officer

Greetings from Gonzaga University!

A remarkable thing happened this past Mother's Day weekend. Gonzaga University celebrated its annual commencement exercises, marking the amazing achievements of 885 undergraduate, 314 graduate and doctoral, and 156 law graduates. You may ask, "what is so remarkable about that, commencement happens every spring?" Well, yes and no. For most of our undergraduate honorees, this commencement was their first, with so many unable to celebrate a traditional high-school graduation ceremony due to the early months of the COVID-19 pandemic. For Gonzaga University this commencement was extra special, marking a class that began college in a world of plexiglass, social distancing, a mixture of online and in-person classes, and, quite possibly, one or more stints in isolation or quarantine. For me, the students of the class of 2024 will be remembered for their determination, grit, and optimism for a brighter future beyond the pandemic.

As Kara Lawson, Women's Basketball Coach at Duke University put it, "If you go around waiting for stuff to get easier in life, it's never going to happen. What happens is you handle hard better." Higher education faces many challenges amplified in the wake of the pandemic—absorbing cost inflation, addressing access and affordability, shifting demographics, among others. While the pandemic was dreadful and difficult, this community has found ways to "handle hard better" and respond to change. Through it all, Gonzaga University is focused on delivering its commitments to students, remaining steadfast in mission, and flexible in approach. For our colleagues and collaborators in mission, thank you for accompanying our students.

Following is a summary of the financial performance for the fiscal year ended May 31, 2024.

**Consolidated Statements of Financial Position**

**Assets**

Assets totaling $1.1 billion as of May 31, 2024, an increase of $45.3 million or 4.2% from the prior fiscal year. Total assets are comprised largely of cash and short-term investments, contributions receivable, long-term investments, and campus facilities.

Cash and cash equivalents and short-term investments totaled $94.9 million as of May 31, 2024, a decrease of $4.7 million or 4.7% from the prior fiscal year. These resources provide essential liquidity to cover operating costs, funds to construct and maintain campus facilities, and capacity to satisfy debt service payments. Additionally, the funds support strategic plan initiatives supplemented by contingencies and reserves. Changes in cash and cash equivalents are the result of cash generated from operations, cash receipts from gifts, changes in investments, capital spending, debt payments, and other activity.

Contributions receivable, net totaled $36.5 million as of May 31, 2024, a decrease of $2.1 million or 5.5% from the prior fiscal year. Of this amount, $32.9 million (undiscounted) is expected to be collected within the next five years.

Long-term investments and beneficial interest in split-interest agreements held by others totaled $539.9 million as of May 31, 2024, an increase of $54.0 million or 11.1% from the prior fiscal year. Such amounts represent 47.9% of total assets as of May 31, 2024, and are substantially comprised of endowment assets. The net return on the diversified endowment investment pool was 13.3% for the fiscal year, ahead of the University's policy index by 330 basis points. Additional drivers of the year-over-year change included new endowment gifts of $9.2 million and $2.9 million net inflows for investments held in custody for others, offset by an annual spending distribution of $15.7 million, of which two-thirds was used to help offset the University's total expenditure of $151.7 million for financial aid to students. The pooled endowment is invested on a total return basis to provide a long-term annual return equal to, or in excess of, the annual spending distribution plus inflation. The strategic target asset allocation of the endowment is domestic equities (21%), international equities (19%), fixed income (20%), alternative investments (30%) and real assets (10%). The pooled endowment achieved annualized net returns ranking among the top 15% of higher education institutions nationwide for the three-year and five-year periods ending June 30, 2023, and top 10% for the ten-year period ending June 30, 2023 (the most currently available data) [1]. The ten-year annualized net return was 9.3% as of June 30, 2023, or 210 basis points higher than the NCSE average for all participants.

[1] *Source: NACUBO Commonfund Study of Endowments® (NCSE), 2023*

Property, plant, and equipment, net totaled $405.6 million as of May 31, 2024, an increase of $9.3 million or 2.3% from the prior fiscal year. The University continues to invest in its physical facilities to support key academic initiatives, student services, housing, and overall infrastructure. Total additions to construction in progress were $26.2 million for the year ended May 31, 2024, including completion of the Scott and Liz Morris Family Indoor Training Facility to support baseball and ongoing construction of Mantua Hall, a 90-bed second-year residence hall scheduled for completion in November 2024. Depreciation expense was $18.2 million for the year ending May 31, 2024, a decrease of $1.0 million or 5.3% over the prior fiscal year. The University incorporates renewal and replacement spending within its annual operating budget to maintain a 152-acre main campus of more than 100 buildings.

**Liabilities**

Liabilities totaled $337.2 million as of May 31, 2024, a decrease of $1.2 million or 0.3% from the prior fiscal year. Liabilities primarily include short-term obligations for accounts and other payables, accrued salaries, taxes, and benefits, and deferred revenue and refundable advances, as well as long-term obligations for leases, and bonds payable.

Accounts and other payables totaled $12.6 million as of May 31, 2024, an increase of $2.1 million or 20.4% from the prior fiscal year, driven in part by a $1.8 million increase in construction-related payables as compared to the prior fiscal year. Accrued salaries, taxes, and benefits totaled $26.5 million as of May 31, 2024, largely unchanged compared to the prior year.

In addition to shorter-term obligations to vendors, creditors, and employees, along with deferred revenues and refundable advances, the most significant liabilities are bonds payable. Bonds payable are largely used to finance the construction and acquisition of property, plant, and equipment. As of May 31, 2024, bonds payable decreased $2.0 million or 0.9%, resulting from scheduled principal payments. All bonds payable are 100% fixed rate instruments, which provides a high degree of certainty as to the annual debt service payments given payments are not subject to interest rate variability. Together, the overall debt portfolio represents a 3.88% weighted average cost of borrowed funds and a 19.8 year remaining weighted average duration. Gonzaga's currently scheduled annual total debt service through fiscal year 2033-34 remains largely flat, ranging between $10.3 million and $11.5 million per fiscal year. Bonds are rated by Moody's Investor Service and Fitch Ratings and carry an "A2" rating (outlook stable) and "A+" rating (outlook stable), respectively.

**Net Assets**

Net assets were $790.6 million as of May 31, 2024, an increase of $46.5 million or 6.2% from the prior fiscal year. The three primary drivers of annual changes in net assets are 1) the net change from operating activities; 2) net investment return of the endowment and other long-term investments, after the annual spending distribution; and 3) contributions towards nonoperating activities, such as acquisition of capital assets and endowment.

Net assets without donor restrictions totaled $352.0 million as of May 31, 2024, an increase of $14.8 million or 4.4% from the prior year. The increase is due to an increase from operating activities of $1.2 million and net gains from nonoperating activities of $13.6 million resulting largely from return on investments and net assets released from restrictions for the acquisition of capital assets, offset by endowment income distributed for operating activities and other changes.

Net assets with donor restrictions for time or purpose totaled $224.0 million as of May 31, 2024, an increase of $21.2 million or 10.5% from the prior year. The increase was due primarily to investment gain of $39.0 million and contributions of $18.3 million, grants and contract of $2.1 million, offset by net assets released from restriction of $37.4 million, among other changes.

Net assets with donor restrictions in perpetuity totaled $214.7 million as of May 31, 2024, an increase of $10.4 million or 5.1% from the prior fiscal year. The increase was due largely to new contributions to the endowment fund of $9.2 million.

**Consolidated Statements of Activities**

The University categorizes changes in its net assets as either operating activities or nonoperating activities, each of which is summarized below:

**Operating Activities**

For the year ended May 31, 2024, total operating activities resulted in a $3.1 million increase in net assets, compared with a $4.7 million decrease in the prior fiscal year. For the years ended May 31, 2024 and 2023, the operating margin (calculated as change in net assets from operations divided by total operating revenues) was 1.0% and -1.7%, respectively, and the operating cash flow margin (calculated as the sum of change in net assets from operations, depreciation, amortization, and interest paid divided by total operating revenues) was 10.7% and 9.1%, respectively.

For the year ended May 31, 2024, total operating revenues were $295.7 million, an increase of $20.4 million or 7.4% from the prior fiscal year. The most significant component of operating revenues is student tuition and fees, net of institutional financial aid, which increased $12.4 million or 6.8% from the prior fiscal year. The change is driven by an increase in undergraduate net tuition revenue of $9.7 million, the net result of a 5.5% tuition rate increase, an increase in undergraduate headcount enrollment (fall) of 83 students, stable retention rates, and variations in institutional financial aid from year to year. The Fall 2023 freshmen class was 1,254 students, up 37 students from the prior year freshmen cohort. Graduate net revenues, including law, increased by $1.7 million due largely to an increase in overall credit generation of 2% and changes in tuition per graduate credit that vary by program. Institutional financial aid as a percentage of student tuition and fees increased 60 basis points to 43.9% in fiscal year 2024 compared to fiscal year 2023, largely driven by variations in institutional financial aid award between undergraduate and law cohorts each year.

Grants and contracts revenue decreased $4.0 million or 64.3% over the prior fiscal year. In fiscal year 2023, the University recorded $4.4 million of nonrecurring revenue associated with FEMA recoveries related to COVID-19.

While operating revenues come largely from student tuition and fees and associated auxiliary revenues, contributions and endowment distributions are important revenue diversifiers that help offset the cost of a Gonzaga education for all students, particularly to support institutional financial aid. Total contributions to support operations were $18.6 million, an increase of $2.7 million or 16.7%. Endowment distributions increased year over year by $1.1 million or 7.9%, driven by investment growth, new gifts, and inflation, all of which serve as inputs to the annual endowment spending calculation.

For the year ended May 31, 2024, total operating expenses of $292.6 million increased $12.6 million or 4.5% from the prior fiscal year. Salaries, wages, and benefits—the largest category of expense—increased $9.4 million or 5.5%, due to regular annual compensation increases for faculty and staff, increased expenditures for employee medical benefits and retirement plan contributions, and other compensation increases resulting from changes in Washington State minimum wage and exempt staff salary thresholds. Professional fees and contracted services increased $1.5 million or 5.1%, largely due to increased participation in study abroad programs sponsored by other universities. Occupancy, utilities, and maintenance increased $1.7 million largely due to inflation in costs and consumption. Broadly speaking, the University experienced inflationary pressures on its expense lines, most notably in travel and other expenses.

**NonOperating Activities**

In addition to operations, Gonzaga reports other changes in net assets from those activities that are not directly attributable to its annual operations. Return on investments combined with endowment income distributed for operating activities was a net gain of $32.0 million for the year ended May 31, 2024, and such amounts generally experience high levels of fluctuations from year to year resulting from the broader investment markets. Contributions for the acquisition of capital assets, net and contributions for endowment funds, net were $10.1 million for the year ended May 31, 2024, a decrease of $5.5 million or 35.2% compared to the prior fiscal year.

**Closing**

I am grateful for the ongoing work of our faculty and staff and amazed at the accomplishments of our students. I also wish to extend a special thanks to our accounting and finance teams who together make the preparation of this annual financial report possible.

Faithfully,

Joe Smith, CPA, CGMA
Chief Financial Officer
September 2024

# Gonzaga University
## Selected Data (in Thousands) (Unaudited)

The following data reflects selected financial and nonfinancial data for the past five fiscal years. Amounts are derived from the audited consolidated financial statements and other official University sources.

| As of May 31 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Consolidated Statement of Financial Position Data** | | | | | |
| Cash, cash equivalents, and short-term investments | $ 94,911 | $ 99,617 | $ 101,473 | $ 97,772 | $ 91,786 |
| Contributions receivable, net | 36,506 | 38,621 | 40,597 | 37,856 | 35,936 |
| Long-term investments [1] | 539,874 | 485,828 | 497,222 | 467,059 | 325,460 |
| Property, plant, and equipment, net | 405,631 | 396,337 | 403,978 | 403,187 | 391,962 |
| Total assets | 1,127,857 | 1,082,570 | 1,081,759 | 1,049,183 | 909,835 |
| Bonds payable | $ 228,580 | $ 230,531 | $ 231,501 | $ 223,349 | $ 228,236 |
| Total liabilities | 337,213 | 338,394 | 327,851 | 320,236 | 308,484 |
| Net assets without donor restrictions | $ 351,969 | $ 337,182 | $ 338,666 | $ 325,460 | $ 303,299 |
| Net assets with donor restrictions for time or purpose | 224,008 | 202,775 | 222,268 | 226,910 | 131,056 |
| Net assets with donor restrictions in perpetuity | 214,667 | 204,219 | 192,974 | 176,577 | 166,996 |
| Total net assets | $ 790,644 | $ 744,176 | $ 753,908 | $ 728,947 | $ 601,351 |

| For the year ended May 31 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Consolidated Statement of Activities and Other Data** | | | | | |
| Student tuition and fees, net of institutional financial aid | $ 193,884 | $ 181,486 | $ 173,561 | $ 159,401 | $ 171,657 |
| Total operating revenues [2] | 295,691 | 275,252 | 274,803 | 228,588 | 242,040 |
| Total operating expenses [2] | 292,597 | 279,985 | 259,257 | 222,881 | 237,985 |
| Increase (decrease) in net assets from operations [2] | 3,094 | (4,733) | 15,546 | 5,707 | 4,055 |
| Increase (decrease) in net assets from nonoperating activities [3] | 43,374 | (4,999) | 9,415 | 121,889 | 8,853 |
| Increase (decrease) in total net assets | 46,468 | (9,732) | 24,961 | 127,596 | 12,908 |
| Pooled investment fund return | 13.3% | (3.7%) | (0.1%) | 48.2% | 3.4% |

| Measured in the fall of the applicable fiscal year | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Other Data** | | | | | |
| Enrollment by headcount | | | | | |
| Undergraduate | 5,172 | 5,093 | 4,994 | 4,870 | 5,238 |
| Graduate | 1,580 | 1,662 | 1,938 | 2,011 | 1,935 |
| Law | 554 | 498 | 448 | 414 | 375 |
| Total enrollment | 7,306 | 7,253 | 7,380 | 7,295 | 7,548 |
| Employees [4] | | | | | |
| Faculty | 457 | 464 | 459 | 455 | 467 |
| Staff and administration | 901 | 857 | 824 | 853 | 887 |
| Total employees | 1,358 | 1,321 | 1,283 | 1,308 | 1,354 |

[1] Includes beneficial interest in split-interest agreements held by others and long-term investments held in custody for others.

[2] Refer to Note 2 in the notes accompanying the consolidated financial statements for the definition of operating activities. Amounts reported are for all net asset classifications.

[3] Refer to Note 2 in the notes accompanying the consolidated financial statements for the definition of nonoperating activities. Amounts reported are for all net asset classifications.

[4] Employee figures include part-time faculty and staff and exclude student employees and adjunct faculty.

MOSSADAMS

# Report of Independent Auditors

President and Board of Trustees
Gonzaga University

## Report on the Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the consolidated financial statements of Gonzaga University (a Washington nonprofit corporation), which comprise the consolidated statements of financial position as of May 31, 2024 and 2023, and the related consolidated statements of statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gonzaga University as of May 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Gonzaga University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gonzaga University's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Gonzaga 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gonzaga 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.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Letter from the Chief Financial Officer and the Selected Data are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Moss Adams LLP

Spokane, Washington
September 13, 2024

# Consolidated Financial Statements

# Gonzaga University
## Consolidated Statements of Financial Position
## May 31, 2024 and 2023

### ASSETS

| | (in thousands) 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 59,261 | $ 63,248 |
| Short-term investments | 35,650 | 36,369 |
| Accounts and interest receivable, net | 14,975 | 18,018 |
| Prepaid expenses | 8,277 | 5,999 |
| Contributions receivable, net | 36,506 | 38,621 |
| Student loans receivable, net | 6,284 | 6,946 |
| Deposits with bond trustees | 1,056 | 9,324 |
| Long-term investments | 526,493 | 471,975 |
| Beneficial interest in split-interest agreements held by others | 13,381 | 13,853 |
| Right of use assets, operating leases, net | 17,135 | 18,524 |
| Right of use assets, finance leases, net | 3,208 | 3,356 |
| Property, plant, and equipment, net | 405,631 | 396,337 |
| Total assets | $ 1,127,857 | $ 1,082,570 |

### LIABILITIES AND NET ASSETS

| | 2024 | 2023 |
|---|---|---|
| LIABILITIES | | |
| Accounts and other payables | $ 12,563 | $ 10,433 |
| Accrued salaries, taxes, and benefits | 26,482 | 26,349 |
| Interest payable | 1,517 | 1,524 |
| Deferred revenues and refundable advances | 19,207 | 22,237 |
| Split-interest agreement obligations | 5,408 | 5,187 |
| Federal student loan program | 2,368 | 3,239 |
| Long-term investments held in custody for others | 20,216 | 15,896 |
| Operating lease liabilities, net | 17,574 | 18,752 |
| Finance lease liabilities, net | 3,298 | 4,246 |
| Bonds payable | 228,580 | 230,531 |
| Total liabilities | 337,213 | 338,394 |
| NET ASSETS | | |
| Without donor restrictions | 351,969 | 337,182 |
| With donor restrictions | | |
| Time or purpose | 224,008 | 202,775 |
| Perpetuity | 214,667 | 204,219 |
| Total with donor restrictions | 438,675 | 406,994 |
| Total net assets | 790,644 | 744,176 |
| Total liabilities and net assets | $ 1,127,857 | $ 1,082,570 |

See accompanying notes.

# Gonzaga University
## Consolidated Statement of Activities
## Year Ended May 31, 2024

| | (in thousands) | | | |
|---|---|---|---|---|
| | Year Ended May 31, 2024 | | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Year Ended May 31, 2023 Total |
| Operating revenues | | | | |
| Student tuition and fees | $ 345,614 | $ - | $ 345,614 | $ 320,087 |
| Less institutional financial aid | (151,730) | - | (151,730) | (138,601) |
| | 193,884 | - | 193,884 | 181,486 |
| Contributions | 1,129 | 17,436 | 18,565 | 15,906 |
| Grants and contracts | 95 | 2,131 | 2,226 | 6,235 |
| Return on investments designated for operating activities | 9,909 | 4 | 9,913 | 2,577 |
| Endowment income distributed for operating activities | 3,466 | 12,202 | 15,668 | 14,526 |
| Auxiliary enterprises | 34,598 | - | 34,598 | 33,783 |
| Other sources | 20,837 | - | 20,837 | 20,739 |
| Net assets released from restrictions | 29,876 | (29,876) | - | - |
| Total operating revenues | 293,794 | 1,897 | 295,691 | 275,252 |
| Operating expenses | | | | |
| Salaries, wages, and benefits | 179,348 | - | 179,348 | 169,967 |
| Professional fees and contracted services | 31,266 | - | 31,266 | 29,745 |
| Occupancy, utilities, and maintenance | 20,647 | - | 20,647 | 18,950 |
| Depreciation and amortization | 19,232 | - | 19,232 | 20,105 |
| Meetings, travel, and memberships | 15,672 | - | 15,672 | 14,303 |
| Materials, supplies, printing, and postage | 11,719 | - | 11,719 | 11,818 |
| Interest | 9,086 | - | 9,086 | 9,697 |
| Other expenses | 5,627 | - | 5,627 | 5,400 |
| Total operating expenses | 292,597 | - | 292,597 | 279,985 |
| Increase (decrease) in net assets from operations | 1,197 | 1,897 | 3,094 | (4,733) |
| Nonoperating activities | | | | |
| Contributions for acquisition of capital assets, net | - | 883 | 883 | 3,963 |
| Contributions and other additions to endowment funds, net | - | 9,189 | 9,189 | 11,587 |
| Loss on disposal of property and equipment | (114) | - | (114) | (49) |
| Return on investments | 8,720 | 38,994 | 47,714 | (5,314) |
| Endowment income distributed for operating activities | (3,466) | (12,202) | (15,668) | (14,526) |
| Loss on defeasance and refunding of bonds, net | - | - | - | (588) |
| Change in value of split-interest agreements | - | 1,370 | 1,370 | (72) |
| Net assets released from restrictions for acquisition of capital assets | 7,482 | (7,482) | - | - |
| Transfers | 968 | (968) | - | - |
| Total nonoperating activities | 13,590 | 29,784 | 43,374 | (4,999) |
| Increase (decrease) in net assets | 14,787 | 31,681 | 46,468 | (9,732) |
| Net assets at beginning of year | 337,182 | 406,994 | 744,176 | 753,908 |
| Net assets at end of year | $ 351,969 | $ 438,675 | $ 790,644 | $ 744,176 |

See accompanying notes.

# Gonzaga University
## Consolidated Statement of Activities
## Year Ended May 31, 2023

| | (in thousands) Year Ended May 31, 2023 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Operating revenues | | | |
| Student tuition and fees | $ 320,087 | $ - | $ 320,087 |
| Less institutional financial aid | (138,601) | - | (138,601) |
| | 181,486 | - | 181,486 |
| Contributions | 4,528 | 11,378 | 15,906 |
| Grants and contracts | 75 | 6,160 | 6,235 |
| Return on investments designated for operating activities | 2,577 | - | 2,577 |
| Endowment income distributed for operating activities | 3,330 | 11,196 | 14,526 |
| Auxiliary enterprises | 33,783 | - | 33,783 |
| Other sources | 20,729 | 10 | 20,739 |
| Net assets released from restrictions | 30,472 | (30,472) | - |
| Total operating revenues | 276,980 | (1,728) | 275,252 |
| Operating expenses | | | |
| Salaries, wages, and benefits | 169,967 | - | 169,967 |
| Professional fees and contracted services | 29,745 | - | 29,745 |
| Depreciation and amortization | 20,105 | - | 20,105 |
| Occupancy, utilities, and maintenance | 18,950 | - | 18,950 |
| Materials, supplies, printing, and postage | 14,303 | - | 14,303 |
| Meetings, travel, and memberships | 11,818 | - | 11,818 |
| Interest | 9,697 | - | 9,697 |
| Other expenses | 5,400 | - | 5,400 |
| Total operating expenses | 279,985 | - | 279,985 |
| Decrease in net assets from operations | (3,005) | (1,728) | (4,733) |
| Nonoperating activities | | | |
| Contributions for acquisition of capital assets, net | - | 3,963 | 3,963 |
| Contributions to endowment funds, net | - | 11,587 | 11,587 |
| Loss on disposal of property and equipment | (49) | - | (49) |
| Return on investments | (13) | (5,301) | (5,314) |
| Endowment income distributed for operating activities | (3,330) | (11,196) | (14,526) |
| Loss on defeasance and refunding of bonds, net | (588) | - | (588) |
| Change in value of split-interest agreements | - | (72) | (72) |
| Net assets released from restrictions for acquisition of capital assets | 6,377 | (6,377) | - |
| Transfers | (876) | 876 | - |
| Total nonoperating activities | 1,521 | (6,520) | (4,999) |
| Decrease in net assets | (1,484) | (8,248) | (9,732) |
| Net assets at beginning of year | 338,666 | 415,242 | 753,908 |
| Net assets at end of year | $ 337,182 | $ 406,994 | $ 744,176 |

See accompanying notes.

# Gonzaga University
## Consolidated Statements of Cash Flows
## Years Ended May 31, 2024 and 2023

| | (in thousands) 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (decrease) in net assets | $ 46,468 | $ (9,732) |
| Adjustments to reconcile increase in net assets to net cash generated from (used in) operating activities | | |
| Depreciation and amortization | 19,232 | 20,105 |
| Bond premium and debt issuance cost amortization | 49 | 107 |
| Provision for uncollectible receivables | 632 | 855 |
| Loss on disposal of property and equipment | 114 | 49 |
| Loss on defeasance and refunding of bonds | - | 588 |
| Contributions restricted for long-term purposes | (10,072) | (15,550) |
| Interest and dividends restricted for long-term investment | (7,253) | (5,454) |
| Net realized and unrealized (gain) loss on investments | (44,230) | 11,667 |
| Change in value of split-interest agreements | (1,370) | 72 |
| Other change in assets and liabilities, net | (3,091) | (10,126) |
| Net cash generated from (used in) operating activities | 479 | (7,419) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant, equipment, and finance right of use assets | (25,764) | (12,225) |
| Proceeds from sale of property and equipment | - | 103 |
| Proceeds from sale of investments | 101,401 | 123,728 |
| Purchase of investments | (105,013) | (118,000) |
| Issuance of student loans receivable | (151) | (683) |
| Repayment of student loans receivable | 407 | 1,370 |
| Net cash used in investing activities | (29,120) | (5,707) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from contributions restricted for long-term purposes | 13,123 | 14,596 |
| Proceeds from contributions for split-interest agreements | 149 | 510 |
| Proceeds from issuance of bonds | - | 33,760 |
| Payments for bond issuance costs | - | (345) |
| Principal payments on bonds and finance leases | (2,948) | (35,928) |
| Payments on split-interest agreements | (320) | (313) |
| Interest and dividends restricted for long-term investment | 7,253 | 5,454 |
| Net change in student loan liability | (871) | (2,024) |
| Net cash generated from financing activities | 16,386 | 15,710 |
| NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS | (12,255) | 2,584 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS, beginning of year | 72,572 | 69,988 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS, end of year | $ 60,317 | $ 72,572 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid (includes capitalized interest of $229 and $18 for 2024 and 2023, respectively) | $ 9,273 | $ 9,691 |
| NONCASH ACTIVITIES | | |
| Right of use assets acquired under operating leases | - | 18,266 |
| Acquisition of investments and property, plant, and equipment | 4,677 | 2,686 |
| Gifts of investments and property, plant, and equipment | 200 | 1,065 |
| Cash and cash equivalents | $ 59,261 | $ 63,248 |
| Deposits with bond trustees | 1,056 | 9,324 |
| Total cash, cash equivalents, and restricted cash equivalents | $ 60,317 | $ 72,572 |

See accompanying notes.

*(In thousands)*

**Note 1 – Organization**

Gonzaga University is an independent, accredited coeducational higher education institution founded in 1887 by the Society of Jesus. The Corporation of Gonzaga University (Corporation) was incorporated in the state of Washington in 1894 as a tax-exempt charitable organization located in Spokane, Washington. The consolidated financial statements include the accounts of the Corporation, the Gonzaga Law School Foundation (Foundation), Immobiliare Gonzaga Srl., Gonzaga University Telecommunications Association (GUTA), Woldson Western 00 LLC, Woldson Alaskan Way 01 LLC, Woldson Western 01 LLC, and Woldson Western 25 LLC (LLCs) (collectively, University). The purpose of the Foundation is to provide financial support to the University's Law School. Immobiliare Gonzaga Srl. is an Italian corporation that owns land and a classroom/administration building used in the University's Florence, Italy program. GUTA broadcasts educational television and FM radio. The Corporation is the single member in the LLCs, which are organized for the exclusive purpose of holding title to property as part of the University's endowment, collecting income therefrom, and turning over the entire amount thereof less expenses to the Corporation.

All significant inter-entity transactions and balances have been eliminated. The summarized consolidating statement of financial position for the University is as follows:

| | For the Year Ended May 31, 2024 | | | | Year Ended May 31, 2023 |
|---|---|---|---|---|---|
| | Corporation | All Other Entities | Inter-Entity Elimination | Consolidated Total | Total |
| Assets | $ 1,125,683 | $ 117,342 | $ (115,168) | $ 1,127,857 | $ 1,082,570 |
| Liabilities | $ 371,451 | $ 5,430 | $ (39,668) | $ 337,213 | $ 338,394 |
| NET ASSETS | | | | | |
| Without donor restrictions | 350,781 | 78,992 | (77,804) | 351,969 | 337,182 |
| With donor restrictions | | | | | |
| Time or purpose | 201,989 | 19,715 | 2,304 | 224,008 | 202,775 |
| Perpetuity | 201,462 | 13,205 | - | 214,667 | 204,219 |
| Total net assets | 754,232 | 111,912 | (75,500) | 790,644 | 744,176 |
| Total liabilities and net assets | $ 1,125,683 | $ 117,342 | $ (115,168) | $ 1,127,857 | $ 1,082,570 |

The primary source of revenue is tuition and fees from undergraduate, graduate, and law programs through the College of Arts & Sciences, and Schools of Business, Engineering & Applied Science, Education, Health Sciences, Leadership Studies, and Law. Other sources of revenue include room and board, contributions, grants and contracts, return on investments, athletic ticket sales, sponsorships, and other sales and services.

**Note 2 – Summary of Significant Accounting Policies**

The accounting policies of the University reflect practices common to universities and colleges and are in accordance with accounting principles generally accepted in the United States of America (GAAP). Significant policies are summarized below.

**Basis of presentation** – The accompanying consolidated financial statements have been prepared with net assets, revenues, expenses, gains, and losses classified into two categories based on the existence or absence of donor-imposed restrictions. The net assets of the University are classified and defined as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board.

*Net assets with donor restrictions for time or purpose* – Net assets that are subject to donor-imposed restrictions that will be met by actions of the University or the passage of time. This includes gifts as well as income and net gains and losses accruing on those gifts, whose use by the University is subject to donor-imposed stipulations.

*Net assets with donor restrictions in perpetuity* – Net assets that are subject to donor-imposed restrictions that are permanently maintained by the University. Generally, the donors of these assets permit the University to use all or part of the return on related investments for general or specific purposes. This includes gifts, trusts, and contributions that, by donor restriction, require the corpus be invested in perpetuity.

**Recent accounting pronouncements** – Effective June 1, 2023, the University adopted Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326),* which required the use of the current expected credit losses (CECL) impairment model for a broad scope of financial instruments, including financial assets measured at amortized cost (which includes loans, held-to-maturity debt securities, and trade receivables), net investments in leases, and certain off-balance-sheet credit exposures. The CECL model required the immediate recognition of estimated expected credit losses over the life of the financial instrument. Under this standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new and enhanced disclosures only.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash balances and short-term, highly liquid investments with remaining maturities of 90 days or less as of the University's fiscal year end. Amounts also include money market mutual funds, all of which comply with Rule 2a-7 of the Investment Company Act of 1940 that seeks to limit the risk of money market funds. The University holds cash and cash equivalents at several major financial institutions, which during the course of the year, exceeded the amounts insured by the Federal Depository Insurance Corporation (FDIC) or National Credit Union Administration (NCUA). Assets with the characteristics of cash and cash equivalents that are held in donor-restricted endowment funds are reported as long-term investments.

Included in cash and cash equivalents and short-term investments are assets that are donor or contractually restricted for investment in property, plant, and equipment of $842 and $3,486 as of May 31, 2024 and 2023, respectively.

**Investments** – Except for direct investments in real property, the University manages its investments by using external investment managers. These investment managers invest the University's funds in various financial instruments in accordance with Board-approved investment policies. The University classifies investments as short-term investments or long-term investments depending upon the investment time horizon, liquidity considerations, and intended purpose and use of the assets.

To enable broad diversification and economies of scale, the University's policy is to pool endowment and other long-term assets for investment purposes to the fullest extent possible as permitted by gift agreements and any applicable government regulations. In the limited cases when a donor has prohibited a gift from being pooled for investment purposes, or where the nature of the gift calls for it to be separately invested, those assets are separately invested and managed.

The University's investments are recorded in the consolidated financial statements at fair value. Investments contributed to the University are recorded at the fair value at the date of contribution. Return on investments is shown net of external and direct internal expenses. Return on investments is reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions.

Investments are exposed to various risks, such as interest rate, market, foreign currency, credit, and regulatory risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect total net assets and the amounts reported in the consolidated statements of financial position. Any such changes, however, would not change the reporting balance on the statement of financial position as of year-end. The University is a limited partner in a managed diversified global multi-asset fund that represents a significant concentration of investment risk, such amounts comprising 25% and 28% of long-term investments as of May 31, 2024 and 2023, respectively.

**Beneficial interest in split-interest agreements held by others** – The University is the irrevocable beneficiary of the income or the residual interest of assets in charitable split-interest agreements held by outside trustees. At the date of donation, the University recognizes its beneficial interest in the outside split-interest agreement as a contribution at fair value that is measured as the present value of the estimated expected future benefits to be received. The contribution revenue recognized is classified as an increase in net assets with donor restrictions based on the time or use restrictions placed by the donor upon the University's beneficial interest in the split-interest agreement. Periodic adjustments to the beneficial interest to reflect changes in the fair value, life expectancy, and discount rate are recognized as changes in value of split-interest agreements.

**Split-interest agreements** – The University has legal title, as trustee, to irrevocable charitable remainder trusts and also receives contributions in connection with charitable gift annuity contracts. Actuarial methods are used to record these annuities and trusts using discount rates ranging from 4% to 6%. When a gift is received, the present value of future expected payments to the beneficiaries is recorded as a liability based upon life expectancy and discount rate assumptions and the remainder is recorded as a contribution. Annuity and trust assets are reported at fair value and included within long-term investments on the consolidated statements of financial position. Investment returns, beneficiary payments, and direct costs of funds management are charged to the liability accounts, with periodic adjustments made between the liability and the net assets to record actuarial gains or losses resulting from changes in fair value and life expectancy.

The University maintains separate funds adequate to meet future payments under its charitable gift annuity contracts as required by state laws. The total investments held in separate funds were $3,776 and $3,353 as of May 31, 2024 and 2023, respectively. The corresponding amount included in split-interest agreement obligations to meet future payments under gift annuity contracts was $1,629 and $1,620 as of May 31, 2024 and 2023, respectively.

**Accounts and interest receivable, net** – Accounts receivable from students are included in accounts and interest receivable, net, in the consolidated statements of financial position. Student accounts receivable are amounts due from students primarily for tuition and fees and are stated at the amount billed to students less applied scholarships and loan proceeds. The University offers several payment plans that allow students to defer payment for a nominal fee. Late fees are charged on delinquent accounts. Student account receivable balances by nature are noninterest-bearing, short-term, unsecured, and do not have specific due dates. Student accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The University separates student accounts receivable into risk pools based on whether they are in collection. In determining the amount of the credit loss as of the consolidated statement of financial position date, the University develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Accounts receivable are written off only when they are deemed to be permanently uncollectible.

**Contributions receivable, net** – Contributions are recognized as revenue when the donor's commitment is made. Unconditional promises are recognized at the estimated present value of the future cash flows using discount rates, net of allowances for doubtful accounts. The discounts are determined using a rate that is commensurate with the risks involved and applicable to the years in which the promises are received. Based upon historical pledge payments and current information, an allowance for doubtful accounts is determined. Account balances are charged off against the allowance when collection is considered remote. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions.

**Student loans receivable, net** – Student loans receivable are primarily amounts loaned to students under the Federal Perkins Loan Program, and Nursing Student Loans as well as institutional loan programs and are stated at their outstanding principal amount. Principal and interest payments on Federal loans generally do not commence until 9 months after the borrower graduates or 6 months after the individual otherwise ceases enrollment. Principal and interest payments on institutional loans generally do not commence until 6 months after the borrower graduates or otherwise ceases enrollment. Given the nature of the types of student loans receivable, federal loan programs and institutional loan program receivables are analyzed separately for credit losses.

The University estimates the allowance for credit losses on its student loans receivable using the CECL methodology, which requires the University to estimate lifetime expected credit losses on its student loans receivable at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The University employs a provisional loss rate approach to estimate the expected credit losses. Under this approach, the University segments the student loans portfolio based on shared risk characteristics, such as the type of loan (federal or institutional). For each segment, the University calculates an average loss rate based on historical default and recovery rates, adjusted for current conditions, and forward-looking information, including economic forecasts related to unemployment rates and inflation. The University continually monitors the appropriateness of its CECL methodology and makes adjustments as necessary to reflect the changes that may impact the student loan portfolio.

The notes receivable bear interest ranging from 3% to 7% and are generally repayable to the University over a period not to exceed ten years.

**Property, plant, and equipment, net** – Property, plant, and equipment are stated at cost at the date of acquisition or fair value at the date of donation. The cost of improvements in excess of $100 and all other property, plant, and equipment in excess of $5 are capitalized. Property, plant, and equipment purchased in connection with a building acquisition or construction project but less than $5 is also capitalized. Normal repair and maintenance expenses and minor equipment costs are expensed as incurred. Depreciation, except for land and collection of artwork, is provided for on a straight-line basis over the estimated useful lives of the respective assets as follows:

| | |
|---|---|
| Land improvements | 20–40 years |
| Buildings | 20–50 years |
| Equipment and furniture | 3–12 years |
| Library books | 10 years |

The University owns a collection of artwork that is held for public exhibition, education, and research rather than for financial gain. The collection of artwork is recorded at cost if purchased and at fair value if donated. Gains and losses from sales or insurance recoveries are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. The collection of artwork is insured, protected, kept unencumbered, cared for, and preserved.

Asset retirement obligations include legal environmental obligations associated with the retirement of long-lived assets. These liabilities are recorded in accounts and other payables on the consolidated statements of financial position at fair value when incurred and are capitalized by increasing the carrying amount of the associated long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated on a straight-line basis through the estimated date of retirement. The liability is removed when the obligation is settled.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues in net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property, plant, and equipment are reported as revenues with donor restrictions. The restrictions are released when the long-lived assets are placed in service.

**Deferred revenue and refundable advances** – Deferred revenue includes tuition and other student deposits related to programs applicable to the next fiscal year, as well as grants and other payments received in advance of incurring related expenses. Deferred revenue is recognized ratably as revenue in the fiscal year that it is earned. Refundable advances consist of vendor incentive payments and are recognized as a reduction of operating expenses or recognized as revenue from other sources over the term of the agreements.

**Long-term investments held in custody for others** – The University manages certain investments on behalf of the Gonzaga Preparatory School Foundation, St. Aloysius Gonzaga Foundation, and St. Aloysius Catholic Parish, charitable organizations. The management of these investments is subject to agreements that governs the arrangements, including additions and redemptions. Additions buy an undivided beneficial ownership interest in the University's pooled endowment. Redemptions can be requested, in addition to the annual spending distribution, subject to the underlying liquidity of the endowment pool. A redemption request not to exceed 50% of the fair value of the undivided beneficial interest in the endowment pool will be distributed within 30 calendar days. A redemption request in excess of 50% and up to 80% of the fair value of the beneficial interest in the endowment pool may be subject to a longer redemption period informed by the liquidity of the underlying investments in the endowment pool and will be paid within 180 calendar days. A redemption request in excess of 80% of the fair value of the beneficial interest in the endowment pool shall be considered a full redemption and will lead to the complete redemption of all remaining units, paid within 180 calendar days. Long-term investments held in custody for others were $20,216 and $15,896 as of May 31, 2024 and 2023, respectively.

**Leases** – The University determines if an arrangement is or contains a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. The University uses an incremental borrowing rate to determine the present value of lease payments when the implicit rate in the lease is not readily available. The current treasury rate and the University's current borrowing rate are factored into the incremental borrowing rate calculation.

The University recognizes operating lease expense within occupancy, utilities, and maintenance expense in the consolidated statements of activities on a straight-line basis over the lease term. On the consolidated statements of financial position, right of use assets represent the University's right to use the underlying assets for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the leases. Right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Right of use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the effective interest method. The University's policy is not to record a right of use asset and lease liability for leases with terms less than one year.

Finance lease assets are amortized on a straight-line basis within depreciation and amortization on the consolidated statements of activities over the lease term. Interest expense associated with finance leases is recorded using the effective interest method and is included in interest expense on the consolidated statements of activities. The University recognizes variable expenses, other than those related to rates or indices, in operating expenses in the period in which the obligation is incurred.

**Revenue recognition** – Student tuition, fees, and room and board are recognized in the period the services are provided. Institutional scholarships awarded to students reduce the amount of revenue recognized. Students who adjust their course load or withdraw completely within the first four weeks of the academic term may receive a full or partial refund in accordance with the University's refund policy. Payments for tuition are due approximately three weeks prior to the start of the academic term. Unconditional grants, contracts, and contributions, including promises to give, are recognized in the period earned and are reported as increases in the appropriate category of net assets. Conditional or contingent grants and contributions are not recorded as revenue until the conditions on which they depend have been substantially met. Return on investments are recorded on the accrual basis of accounting. Other sources of revenue not otherwise categorized are recognized in the fiscal year in which they are earned.

**Advertising** – Costs expensed for the years ended May 31, 2024 and 2023, were $2,294 and $2,414, respectively, and is recorded in professional fees and contracted services in the consolidated statements of activities.

**Income taxes** – The Internal Revenue Service (IRS) has recognized the Corporation and Foundation as exempt from tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income under Sections 511 through 515. Unrelated business income tax, if any, is immaterial. As of May 31, 2024 and 2023, the University had no uncertain tax positions requiring accrual. The University may be subject to routine audit by the IRS; however, there are currently no audits for any tax periods in progress.

**Operating and nonoperating activities** – The University's measure of operating activities, presented in the consolidated statements of activities, includes all transactions that are incurred in the course of the normal business operations of the University. Nonoperating activities presented in the consolidated statements of activities include transactions that result from something other than the ongoing day-to-day activity of the University.

**Concentrations of financial aid** – A significant number of students attending the University receive financial assistance from the U.S. government student financial aid programs. These programs require the University to comply with recordkeeping, eligibility, and other requirements. Failure to comply with such U.S. government requirements could result in the loss of U.S. government financial assistance to the University's students and adversely impact the operations of the University.

**Use of estimates** – The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

*(In thousands)*

**Subsequent events** – The University has evaluated subsequent events through September 13, 2024, which is the date the consolidated financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the consolidated financial statements would be required.

### Note 3 – Accounts and Interest Receivable, Net

Accounts and interest receivable, net, consisted of the following as of May 31:

| | 2024 | 2023 |
|---|---|---|
| Government grants and loan funds | $ 5,648 | $ 8,054 |
| Student receivables | 3,890 | 4,271 |
| Miscellaneous receivables | 5,190 | 5,390 |
| Accrued interest receivable | 347 | 403 |
| | 15,075 | 18,118 |
| Less allowance for credit losses | | |
| Beginning of year | (100) | (100) |
| Increase in provision | (83) | (72) |
| Write-offs, net of recoveries | 83 | 72 |
| End of year | (100) | (100) |
| Total | $ 14,975 | $ 18,018 |

### Note 4 – Contributions Receivable, Net

Contributions receivable, net, at May 31 are expected to be realized in the following periods:

| | 2024 | 2023 |
|---|---|---|
| In one year or less | $ 16,908 | $ 14,439 |
| Between one year and five years | 16,017 | 21,304 |
| More than five years | 14,110 | 14,139 |
| Less present value discounts | (9,826) | (10,557) |
| | 37,209 | 39,325 |
| Less allowance for doubtful accounts | (703) | (704) |
| Total | $ 36,506 | $ 38,621 |

***(In thousands)***

Contributions receivable, net, at May 31 are designated as follows:

| | 2024 | 2023 |
|---|---|---|
| With donor restrictions for financial aid and program support | $ 13,241 | $ 12,030 |
| With donor restrictions for property, plant, and equipment | 16,542 | 17,761 |
| With donor restrictions for endowment financial aid and chairs | 6,723 | 8,830 |
| Total | $ 36,506 | $ 38,621 |

**Note 5 – Student Loans Receivable, Net**

The University makes uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs and institutional resources.

Student loans receivable, net, consisted of the following as of May 31:

| | 2024 | 2023 |
|---|---|---|
| Federal government programs | $ 3,157 | $ 4,459 |
| Institutional programs | 3,332 | 2,622 |
| | 6,489 | 7,081 |
| Less allowance for credit losses: | | |
| Beginning of year | (135) | (135) |
| Increase in provision | (70) | - |
| End of year | (205) | (135) |
| Total | $ 6,284 | $ 6,946 |

The University participates in the Perkins and Nursing federal revolving loan programs. The availability of funds for new loans under the programs is dependent on reimbursements to the programs from repayments on outstanding loans and the continuation of the program by the federal government. Outstanding loans cancelled under the programs result in a reduction of the funds available for new loans and a decrease in the liability to the government. Funds advanced by the federal government are ultimately refundable to the government. The liability due to the government was $2,368 and $3,239 at May 31, 2024 and 2023, respectively.

On October 1, 2017, the Federal Perkins Extension Act of 2015 expired and no longer permits disbursements to students of any kind after June 30, 2018. The University has been notified that the federal government will collect the federal share of the University's Perkins Loan Revolving Funds annually from the University as loans are paid back to the University by students. The University estimates the federal share will be returned to the government over the next five years.

***(In thousands)***

At May 31, 2024 and 2023, the following amounts were past due under all student loan programs:

| May 31, | 1–59 Days Past Due | 60–89 Days Past Due | 90–119 Days Past Due | 120–179 Days Past Due | 180–729 Days Past Due | 730+ Days Past Due | Total Past Due |
|---|---|---|---|---|---|---|---|
| 2024 | $ - | $ 4 | $ 1 | $ 1 | $ 78 | $ 280 | $ 364 |
| 2023 | $ 2 | $ 2 | $ 1 | $ 4 | $ 179 | $ 317 | $ 505 |

Allowances for credit losses are established based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

**Note 6 – Deposits with Bond Trustees**

Deposits with bond trustees, at fair value, at May 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Restricted cash and cash equivalents | $ 1,056 | $ 9,324 |
| Total deposits with bond trustees | $ 1,056 | $ 9,324 |

Deposits with bond trustees consist of bond funds held in restricted cash and cash equivalents and are restricted for the purpose designated in the bond documents.

**Note 7 – Investments**

Short-term investments, at fair value, at May 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Fixed-income securities | $ 35,650 | $ 36,369 |

Short-term investments consist of operating funds and funds held for fixed asset acquisition, managed as a laddered portfolio, fixed income portfolio, and money market funds, with the objectives of preserving principal, maintaining an appropriate degree of liquidity, and generating an appropriate risk-adjusted return.

(In thousands)

Long-term investments, at fair value, at May 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | $ 1,907 | $ 1,098 |
| Equity securities | 129,519 | 111,832 |
| Fixed-income securities | 57,684 | 41,234 |
| Commingled equity and debt funds | 62,172 | 53,308 |
| Alternative investments | 182,410 | 175,960 |
| Direct real property investments | 78,218 | 75,337 |
| Split-interest agreements | 14,276 | 12,897 |
| Other | 307 | 309 |
| Total | $ 526,493 | $ 471,975 |

Direct real property investments include gifted properties, three real property assets in downtown Seattle, Washington received through an estate gift, and an investment in a real estate joint venture which supports regional health science programs, including that of the University. As described in Note 1, the Seattle properties are held in separate single member LLCs, consisting of two parking garages and one surface parking lot, a portion of which is subject to a ground lease.

The University entered into a ground lease agreement in 2019 with an unrelated third-party entity to develop a portion of the surface parking lot into a proposed 340,000 square-foot multi-family residential housing facility. The lessee is currently in the design and regulatory approvals period. The City of Seattle issued a Master Use Permit for the project in September 2021. The issuance of the permit was challenged unsuccessfully to the City Hearing Examiner, to the Superior Court, and most recently to the Washington Court of Appeals. On April 25, 2024, the Appeals Court upheld the prior City and Superior Court decisions. It is uncertain as to whether this most recent ruling will be appealed to the Washington State Supreme Court. A request for reconsideration of the Appeals Court ruling relating to payment of attorney fees is still pending. When this ruling is made, it will begin a 90 day time period for the plaintiffs to request reconsideration to the State Supreme Court. Under the terms of the current lease agreement and amendments, the lessee has 30 days after the lapse of any final appeal date relating to the Court of Appeals decision to obtain all regulatory approvals, and 90 days after a State Supreme Court decision to obtain all regulatory approvals. The lessee shall have the right to terminate the lease if any portion of the Supreme Court decision remands any issue back to a lower court or agency or is otherwise adverse to the lessee. The University may elect to terminate the ground lease if construction has not commenced by April 15, 2026.

The annual ground lease payments are on a triple-net basis, subject to annual adjustment beginning in 2026, and reset every 20 years beginning with the initial reset of March 15, 2032. The ground lease will expire November 14, 2102, unless there is a Supreme Court Appeal which will extend the ground lease to November 14, 2103. Upon the termination of the lease, all improvements will become the property of the University. The University has an end of term call right in the 70th and 75th year to buyout the ground lessee’s interest in the improvements at the net present value of the anticipated remaining payments.

An initial deposit credit of $600 is recorded in deferred revenues in the consolidated statements of financial position. If the lessee elects to terminate the lease prior to the completion of the improvements, the deposit will be retained by the University.

***(In thousands)***

The total lease income recognized on the development ground lease for the years ended May 31, 2024 and 2023, was $1,352 and $1,312, respectively, and is recorded as return on investments in the consolidated statements of activities. Fixed and probable lease payments for the development ground lease expected to be received on an annual basis in each of the next five years range from $1,352 to $1,375, plus annual adjustments beginning in 2026, subject to the conditions noted above.

The University also has lease agreements with an unrelated third-party parking company to operate two parking garages, and the portion of the surface parking lot that is not part of the development ground lease. The surface parking lot is leased on a month-by-month basis and the two garage leases expire in January 2026, all of which can be terminated by either party at any time with notice. The total lease income recognized by the University on these agreements for the years ended May 31, 2024 and 2023, was $2,541 and $2,248, respectively, and is recorded as return on investments in the consolidated statements of activities.

Lease income is recognized on a straight-line basis over the fixed noncancelable term of the agreement. Variable lease income is recognized as return on investments in the period in which changes in facts and circumstances occur.

Expenses incurred for the management and operation of the Seattle properties are recognized on an accrual basis and are recorded as a reduction in the return on investments in the consolidated statements of activities.

Included in long-term investments, measured at net asset value practical expedient, are commingled equity funds and alternative investments as follows:

| | 2024 | 2023 |
|---|---|---|
| Commingled equity and debt funds | $ 62,172 | $ 53,308 |
| Alternative investments | | |
| Managed diversified global multi-asset fund | $ 133,592 | $ 130,417 |
| Private equity funds | 21,471 | 20,130 |
| Private credit funds | 20,980 | 18,291 |
| Real estate funds | 5,310 | 6,202 |
| Diversified fund of funds | 1,057 | 920 |
| | 182,410 | 175,960 |
| Total | $ 244,582 | $ 229,268 |

Long-term investments are largely composed of donor-restricted, Board-designated funds, and co-investments directed by management. Long-term investments are managed within various investment portfolios. See Notes 8 and 9 for return objectives and risk parameters for such funds.

*(In thousands)*

**Note 8 – Endowment**

The University's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund at May 31 is summarized as follows:

| | 2024 | | | | |
|---|---|---|---|---|---|
| | | With Donor Restrictions | | | |
| | Without Donor Restrictions | Original Gift | Accumulated Return on Investments, Net of Distributions | Foundation Board-Designated (1) | Total |
| Board-designated funds | $ 87,277 | $ - | $ - | $ 1,818 | $ 89,095 |
| Donor-restricted funds | - | 210,328 | 172,531 | - | 382,859 |
| Underwater funds | - | 4,339 | (145) | - | 4,194 |
| Total | $ 87,277 | $ 214,667 | $ 172,386 | $ 1,818 | $ 476,148 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | | With Donor Restrictions | | | |
| | Without Donor Restrictions | Original Gift | Accumulated Return on Investments, Net of Distributions | Foundation Board-Designated (1) | Total |
| Board-designated funds | $ 81,922 | $ - | $ - | $ 1,675 | $ 83,597 |
| Donor-restricted funds | - | 194,004 | 146,782 | - | 340,786 |
| Underwater funds | - | 10,215 | (778) | - | 9,437 |
| Total | $ 81,922 | $ 204,219 | $ 146,004 | $ 1,675 | $ 433,820 |

(1) Amounts shown as Board-designated funds with donor restrictions are Foundation assets restricted for use by the Gonzaga Law School Foundation.

**Interpretation of relevant law** – Under the Washington Uniform Prudent Management of Institutional Funds Act (WUPMIFA), the Board has adopted as policy for donor-restricted endowment funds the requirement to preserve the original fair value of the initial gift and any subsequent gifts (as of the respective gift date), along with any accumulations to the permanent endowment made at the direction of the donor, absent explicit donor stipulations to the contrary. Together, these amounts become the perpetual value of the funds. Net endowment return on investments that have not been appropriated for expenditure are classified as net assets with donor restrictions for time and purpose.

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

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

**Return objectives and risk parameters** – The University has adopted an investment and spending policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The University's goal for its endowment funds, over time, is to provide an average annualized return of approximately 5% in excess of the Higher Education Price Index (HEPI) over a market cycle of three to five years. To satisfy this goal, 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 maintains a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term return objectives within prudent risk constraints.

**Spending policy** – The University has a policy of appropriating for expenditure amounts from its pooled endowment fund each year based upon a hybrid rate that is the sum of two components:

- 70% based upon the HEPI applied to the prior year endowment spending amount.
- 30% based upon a rate of 4% to 5% of a three-year rolling average of the fund's total market value, measured quarterly.

Absent donor stipulations to the contrary, the University will not appropriate for expenditure from a permanent pooled endowment fund if such expenditure will result in the fair value of the fund falling below the original gift of the fund, measured as of June 30 of the fiscal year of appropriation.

**Funds with deficiencies** – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the University is required to retain as a fund of perpetual duration. Deficiencies of this nature reported in net assets with donor restrictions were $145 and $778 as of May 31, 2024 and 2023, respectively.

***(In thousands)***

Changes in endowment net assets are summarized as follows for the years ended May 31, 2024 and 2023:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Net assets, May 31, 2022 | $ 82,915 | $ 356,565 | $ 439,480 |
| Return on investments, net | (13) | (5,411) | (5,424) |
| Contributions | - | 11,587 | 11,587 |
| Amount distributed for operating activities | (3,330) | (11,196) | (14,526) |
| Transfers | 2,350 | 353 | 2,703 |
| Net assets, May 31, 2023 | 81,922 | 351,898 | 433,820 |
| Return on investments, net | 8,720 | 39,902 | 48,622 |
| Contributions and other additions | - | 9,189 | 9,189 |
| Amount distributed for operating activities | (3,466) | (12,202) | (15,668) |
| Transfers | 101 | 84 | 185 |
| Net assets, May 31, 2024 | $ 87,277 | $ 388,871 | $ 476,148 |

**Note 9 – Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques utilized maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are developed based on market data obtained from sources independent of the University. Unobservable inputs reflect the University's own assumptions about market inputs based on its own data.

Assets and liabilities are classified in one of three categories as follows:

**Level 1** – Inputs consist of quoted market prices in active markets for identical assets or liabilities the University has the ability to access at the measurement date.

**Level 2** – Inputs consist of valuations other than quoted prices included in Level 1 that are observable by the University for the related asset or liability.

**Level 3** – Inputs consist of unobservable valuations related to the asset or liability.

The University uses the following methods and significant assumptions to estimate fair value, by level:

**Level 1 assets include:**

Mutual funds, index funds, cash and cash equivalents, and publicly traded stocks valued using active market exchange values of identical assets at the last reported sales price. These investments can be traded daily with trades settling between one and three days.

**Level 2 assets and liabilities include:**

- Investments in U.S. government and agency obligations, certificates of deposit, corporate bonds, municipal bonds, and asset-backed obligations. These investments use other observable inputs to measure fair value such as dealer market prices for comparable assets based on interest rates, spreads, and trade activity in the market.

- Investments in privately held stock valued using the market approach using recent sales.

- Certain investment in real property assets are valued using market quotations or tax assessed values that approximate fair values.

**Level 3 assets include:**

- Privately held stock valued based on the net asset value of the investment that approximates market value.

- Direct real property investments are valued based on independent appraisals of two parking garages and one surface lot, a portion of which is subject to a ground lease. The primary unobservable input for each of the parking garages, valued using an income approach, is the income capitalization rate, which was 7.01% for one garage and 5.49% for the other garage. A decrease of 0.25% in the underlying income capitalization rates would increase the fair value of the two parking garages by approximately $1,117. An increase of 0.25% in the underlying income capitalization rates would decrease the fair value of the two parking garages by approximately $1,028. The primary unobservable inputs for the surface parking lot, using a market approach, are the parameters associated with its future development, including the number of apartment units to be constructed, total developed square footage, and estimations of the revenue per square foot derived from market comparisons. The sensitivity associated with changes in these inputs is not quantified.

- Beneficial interests in the future cash flows of 12 different split-interest agreements are valued under the income approach, calculated using a discounted cash flow analysis based on the expected annuity payments to be made over the remaining life of each respective beneficial interest, utilizing a risk-free rate adjusted for the inherent risk of the assets held and the risk of nonperformance. The primary unobservable inputs for beneficial interests in split-interest agreements are the applicable discount rates that range from 4.33% to 8.03%, and applicable life expectancies that range from 3 to 46 years. A decrease of 1.0% in each of the underlying discount rates would increase the fair value by approximately $1,615. An increase of 1.0% in each of the underlying discount rates would decrease the fair value by approximately $1,195. The sensitivity associated with changes in life expectancies is not quantified.

*(In thousands)*

The following tables present assets and liabilities that are measured and carried at fair value on a recurring basis:

| | May 31, 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Short-term investments | | | | |
| U.S. government and agency obligations | $ - | $ 7,135 | $ - | $ 7,135 |
| Corporate bonds | - | 28,294 | - | 28,294 |
| Municipal bonds | - | 221 | - | 221 |
| Total short-term investments | - | 35,650 | - | 35,650 |
| Long-term investments | | | | |
| Cash and cash equivalents | 1,907 | - | - | 1,907 |
| Equity securities | | | | |
| Mutual funds and index funds | | | | |
| Domestic | 77,318 | - | - | 77,318 |
| International | 38,182 | - | - | 38,182 |
| Global | 7,232 | - | - | 7,232 |
| Direct ownership - public and privately held stock | | | | |
| Domestic | 5,944 | - | 843 | 6,787 |
| Fixed income securities | | | | |
| Mutual funds and index funds | | | | |
| Domestic | 54,444 | - | - | 54,444 |
| International | 3,240 | - | - | 3,240 |
| Direct real property investments | - | 1,073 | 77,145 | 78,218 |
| Assets held under split-interest agreements | | | | |
| Cash and cash equivalents | 1,114 | - | - | 1,114 |
| Equity mutual funds | 7,421 | - | - | 7,421 |
| Equity-direct ownership | 2,280 | - | - | 2,280 |
| Fixed income mutual funds | 2,857 | - | - | 2,857 |
| Fixed income-direct ownership | - | 604 | - | 604 |
| Other | 301 | 6 | - | 307 |
| Total long-term investments in fair value hierarchy | 202,240 | 1,683 | 77,988 | 281,911 |
| Beneficial interest in split-interest agreements held by others | - | - | 13,381 | 13,381 |
| Total assets in fair value hierarchy | $ 202,240 | $ 37,333 | $ 91,369 | $ 330,942 |
| Long-term investments measured at NAV practical expedient[1] | | | | $ 244,582 |

[1] In accordance with Subtopic 820-10, certain investments that are measured at net asset value (NAV) per share, using the practical expedient to estimate fair value, have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position and related notes.

***(In thousands)***

| | May 31, 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Short-term investments | | | | |
| U.S. government and agency obligations | $ - | $ 3,172 | $ - | $ 3,172 |
| Corporate bonds | - | 32,503 | - | 32,503 |
| Municipal bonds | - | 694 | - | 694 |
| Total short-term investments | - | 36,369 | - | 36,369 |
| Long-term investments | | | | |
| Cash and cash equivalents | 1,098 | - | - | 1,098 |
| Equity securities | | | | |
| Mutual funds and index funds | | | | |
| Domestic | 41,654 | - | - | 41,654 |
| International | 34,472 | - | - | 34,472 |
| Global | 5,416 | - | - | 5,416 |
| Direct ownership - public and privately held stock | | | | |
| Domestic | 28,150 | - | 843 | 28,993 |
| International | 1,297 | - | - | 1,297 |
| Fixed income securities | | | | |
| Mutual funds and index funds | | | | |
| Domestic | 41,234 | - | - | 41,234 |
| Direct real property investments | - | 1,088 | 74,249 | 75,337 |
| Assets held under split-interest agreements | | | | |
| Cash and cash equivalents | 924 | - | - | 924 |
| Equity mutual funds | 6,411 | - | - | 6,411 |
| Equity-direct ownership | 2,179 | - | - | 2,179 |
| Fixed income mutual funds | 2,904 | - | - | 2,904 |
| Fixed income-direct ownership | - | 479 | - | 479 |
| Other | 303 | 6 | - | 309 |
| Total long-term investments in fair value hierarchy | 166,042 | 1,573 | 75,092 | 242,707 |
| Beneficial interest in split-interest agreements held by others | - | - | 13,853 | 13,853 |
| Total assets in fair value hierarchy | $ 166,042 | $ 37,942 | $ 88,945 | $ 292,929 |
| Long-term investments measured at NAV practical expedient[1] | | | | $ 229,268 |

[1] In accordance with Subtopic 820-10, certain investments that are measured at net asset value (NAV) per share, using the practical expedient to estimate fair value, have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position and related notes.

*(In thousands)*

Following is a reconciliation of activity for the years ended May 31, 2024 and 2023, of assets classified as Level 3:

| | Privately Held Stock | Direct Real Property Investments | Beneficial Interest in Split-Interest Agreements Held by Others | Total |
|---|---|---|---|---|
| Balance, May 31, 2022 | $ 642 | $ 70,741 | $ 13,632 | $ 85,015 |
| Return on investments | 201 | 6,559 | 393 | 7,153 |
| Return of capital | - | (3,051) | (172) | (3,223) |
| Balance, May 31, 2023 | 843 | 74,249 | 13,853 | 88,945 |
| Contributions | - | 18 | 100 | 118 |
| Return on investments | - | 6,325 | 578 | 6,903 |
| Return of capital | - | (3,447) | (1,150) | (4,597) |
| Balance, May 31, 2024 | $ 843 | $ 77,145 | $ 13,381 | $ 91,369 |

Net realized gains for investment classified as Level 3 were $3,202 and $4,298 for the years ended May 31, 2024 and 2023, respectively.

Redemption, funding commitments, restrictions, and other information associated with the nature and valuation of applicable investments are as follows:

| | Fair Value at May 31, 2024 | Unfunded Cash Commitments | Redemption Frequency (if Eligible) | Redemption Notice Period | Investment Strategies and Other Restrictions |
|---|---|---|---|---|---|
| Commingled equity funds | $ 62,172 | $ - | (a) | (a) | (a) |
| Alternative investments | | | | | |
| Managed diversified global multi-asset fund | $ 133,592 | $ - | (b) | (b) | (b) |
| Private equity funds | 21,471 | 1,653 | (c) | n/a | (c) |
| Private credit funds | 20,980 | 9,683 | (d) | n/a | (d) |
| Real estate fund | 5,310 | - | (e) | (e) | (e) |
| Diversified fund of funds | 1,057 | 39 | (f) | (f) | (f) |
| | 182,410 | 11,375 | | | |
| Total long-term investments measured at NAV practical expedient | $ 244,582 | $ 11,375 | | | |

a) Five of the six commingled equity and debt funds in this category can be redeemed monthly with notice (ranging from 15 days to 31 days), and a sixth fund can be redeemed on a quarterly basis, unless any withdrawal from the funds would have a materially adverse effect on the fund. The funds' investment objective is to achieve long-term capital appreciation by investing in a portfolio of primarily international market companies, global companies, and global credit opportunities.

b) The University may receive up to 5.5% of this capital account balance in the fund as an automatic annual distribution. The election must be made in the first quarter of the calendar year preceding the first calendar year to which the distribution applies, and amounts will be distributed within 90 days of the end of the calendar year, or within ten business days after the fund's audited financial statements for the year are completed.

For distributions in excess of the automatic annual distribution, the University may request the withdrawal of all or a portion of its capital account, with a minimum withdrawal of at least $1,000, on the last day of any calendar year by providing a withdrawal request at any time during the fourth quarter of the preceding calendar year. The amount requested to be withdrawn will be apportioned between the liquid portion and limited liquidity portion of the University's capital account, as determined based on the liquidity attributes of the underlying fund investments. As of May 31, 2024, the value of the liquid portion is $13,114. The fund will make a distribution within 30 days after the effective withdrawal date in an amount not less than 90% of the liquid portion, with the remaining liquid portion amount paid subsequent to the fund's financial statement audit. For withdrawal amounts attributable to the limited liquidity portion, distributions will be made within 45 days after the realization or deemed realization of assets held in that account. Distributions may be made in cash, fund assets, or both. The fund general partner can also suspend the rights of the University and other limited partners to make withdrawals or receive distributions for all or part of any period of market disruption. The fund general partner may also limit withdrawals such that they do not exceed 15% of the liquid subaccount balance.

The fund's objective is to manage and grow long-term capital with equity-like annual returns of 10%–12% over time, with lower-than-average risk, with investments in private and public equity, real estate, fixed income, natural resources, and uncorrelated.

c) This category includes seven private equity funds that invest in privately held entities with potential for significant growth in revenue and earnings, including one impact fund focused on investments that have a positive societal (i.e., social and/or environmental) impact, and one sustainable real assets fund. Each fund is nonredeemable and can be sold only on the secondary market as long as the respective fund general partner receives an opinion from counsel that such a transfer is not in violation of certain sanctions of the Securities Act, Investment Company Act, and/or federal tax laws. It is estimated that the underlying assets of the funds will be liquidated between 2024 and 2030.

d) This category includes five private credit funds, including a mezzanine debt fund, two special opportunities funds, an upper-middle market direct lending fund, and a European direct fund. Each fund has the objective to invest in debt and debt-like preferred securities of companies, primarily to generate interest income, within the mandate of the respective fund. Each fund is nonredeemable and can be sold only on the secondary market as long as the respective fund general partner receives an opinion from counsel that such a transfer is not in violation of certain sanctions of the Securities Act, Investment Company Act, and/or federal tax laws. Distributions are received through the liquidation of the underlying assets of the funds. It is estimated the underlying assets of these funds will be liquidated between 2024 and 2029.

***(In thousands)***

e) This category includes a real estate fund primarily invested in U.S. commercial and residential real estate with the objective to invest in real estate assets to generate capital appreciation and operating income. Investments in the fund can be redeemed with at least 90-day notice, as liquid assets in the fund permits.

f) This category includes one private equity fund with underlying investments in direct private equity and private equity funds. Each fund has the objective to generate capital appreciation at a rate in excess of that historically generated by investments in publicly traded equity securities. The funds can only be redeemed through the liquidation of underlying assets, and as underlying assets are liquidated, distributions are received. It is estimated that the underlying assets of the illiquid funds will be liquidated between 2024 and 2026.

**Valuation of alternative investments** – Alternative investments that are not readily marketable or redeemable are valued utilizing the most current information provided by the fund managers using the net asset value (NAV) per share of the respective fund as a practical expedient to estimate the fair value of the University's interest in the respective fund. The NAV is determined in accordance with a fund's policies as described in their respective financial statements and offering memoranda. The most recent NAV reported, which in most instances is as of March 31 of the respective fiscal year, is adjusted for any investment-related transactions such as capital calls or distributions and significant known valuation changes of its related portfolio through May 31 of the respective fiscal year. These investments are generally less liquid than other investments, and the value reported may differ from the values that would have been reported had a ready market for these investments existed.

**Valuation limitations** – The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. In addition, while the University believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**Note 10 – Property, Plant, and Equipment, Net**

Components of property, plant, and equipment, net, at May 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Land | $ 12,807 | $ 12,807 |
| Land improvements | 9,105 | 9,105 |
| Buildings | 533,582 | 518,613 |
| Equipment and furniture | 49,945 | 49,400 |
| Collection of artwork | 5,721 | 5,500 |
| Library books | 5,926 | 5,861 |
| Construction in progress | 16,801 | 6,583 |
| | 633,887 | 607,869 |
| Less accumulated depreciation | (228,256) | (211,532) |
| Total | $ 405,631 | $ 396,337 |

***(In thousands)***

Construction in progress consisted of the following major projects during the years ended May 31:

| Project | Cost to Date May 31, 2023 | Current Year Additions | Placed into Service | Cost to Date May 31, 2024 |
|---|---|---|---|---|
| Scott and Liz Morris Family Indoor Training Facility | $ 3,038 | $ 10,392 | $ (13,430) | $ - |
| Mantua Hall | 629 | 10,379 | - | 11,008 |
| All other projects | 2,916 | 5,433 | (2,556) | 5,793 |
| Total | $ 6,583 | $ 26,204 | $ (15,986) | $ 16,801 |

| Project | Cost to Date May 31, 2022 | Current Year Additions | Placed into Service | Cost to Date May 31, 2023 |
|---|---|---|---|---|
| Scott and Liz Morris Family Indoor Training Facility | $ 179 | $ 2,859 | $ - | $ 3,038 |
| Mantua Hall | - | 629 | - | 629 |
| All other projects | 2,279 | 5,767 | (5,130) | 2,916 |
| Total | $ 2,458 | $ 9,255 | $ (5,130) | $ 6,583 |

## Note 11 – Lines of Credit

The University has committed lines of credit with separate banks. Any outstanding balance is due on or before the termination of these agreements. The lines of credit consist of the following:

| Line of Credit | Total Available Credit | Rate | Term | Security | Balance at May 31, 2024 | Balance at May 31, 2023 |
|---|---|---|---|---|---|---|
| Revolving operating | $ 15,000 | Prime minus 1.94%, floor of 0.50%; 6.56% as of May 31, 2024 | 2/28/2025 | Parity lien on gross revenue without donor restriction, as defined in the loan agreement | $ - | $ - |
| Revolving operating | 10,000 | 30 day average secured overnight financing rate plus 1.85%, floor of 4.00%; 7.17% as of May 31, 2024 | 12/1/2024 | Parity lien on gross revenue without donor restriction, as defined in the loan agreement | - | - |

*(In thousands)*

**Note 12 – Deferred Revenues and Refundable Advances**

Deferred revenues and refundable advances consisted of the following:

| | Balance at May 31, 2023 | Revenue Recognized | Cash Received in Advance of Performance | Balance at May 31, 2024 |
|---|---|---|---|---|
| Tuition | $ 14,413 | $ 14,413 | $ 12,998 | $ 12,998 |
| Refundable advances | 7,824 | 1,615 | - | 6,209 |
| Total | $ 22,237 | $ 16,028 | $ 12,998 | $ 19,207 |

| | Balance at May 31, 2022 | Revenue Recognized | Cash Received in Advance of Performance | Balance at May 31, 2023 |
|---|---|---|---|---|
| Tuition | $ 15,155 | $ 15,155 | $ 14,413 | $ 14,413 |
| Refundable advances | 9,441 | 1,617 | - | 7,824 |
| Total | $ 24,596 | $ 16,772 | $ 14,413 | $ 22,237 |

The balance of deferred revenue consists primarily of tuition received at May 31, 2024, less any refunds issued, will be recognized as revenue over the academic term beginning June 1, 2024, as services are rendered.

Refundable advances consist of vendor incentive payments. The balance of refundable advances will be recognized as a reduction of operating expenses or as revenue from other sources during the terms of the agreements that expire through 2029.

**Note 13 – Leases**

The University is the lessee in three operating leases. One lease expires in 2031 and is for the rental of land that the University constructed an apartment building on. Another operating lease is for the rental of academic exhibit space that expires in 2027. This lease contains a renewal option, but the University is not reasonably certain to exercise the option to extend. This lease includes variable rent payments that increase each year based on the consumer price index. The other operating lease is for the rental of space and tenant improvements in a new facility constructed by a third-party developer adjacent to the University's Spokane campus. This facility is the home of the Spokane operations of the University of Washington School of Medicine and the University's School of Health Sciences. The University's rental area is 31,743 square feet which represents 36% of the total rentable area of 88,209 square feet. Provided certain conditions are met, the University has the right of opportunity to purchase the building, if at any time during the lease term and extension periods, the landlord intends to offer the building for sale to third parties or accepts an offer of a third party to purchase the building. During the initial lease term, the annual lease payments range from $1,654 to $2,170, plus common area charges. The initial lease expires in 2034 with five extension options to extend the term for a period of five years per option period. The University is not reasonably certain to exercise the options to extend, therefore, the options are not included in the lease liability.

***(In thousands)***

As of May 31, 2024 and 2023, the University recognized an operating lease liability of $17,574 and $18,752, respectively, with a corresponding right of use asset of $17,135 and $18,524, respectively, based on the present value of the minimum rental payments. Cash payments for amounts included in the measurement of lease liabilities were $1,838 and $1,712 for the years ended May 31, 2024 and 2023, respectively, and are reflected within cash flows from operating activities on the consolidated statement of cash flows. The weighted average discount rate is 3.62% as of May 31, 2024 and 2023, and the weighted average remaining lease term is 9.8 years and 10.8 years as of May 31, 2024 and 2023, respectively.

The University is the lessee in five finance leases. One lease is for the rental of an apartment complex that expires in 2093. The other four finance leases are for the rental of equipment and vehicles that expire in various years through 2029.

As of May 31, 2024 and 2023, the University recognized a finance lease liability of $3,298 and $4,246, respectively, with a corresponding right of use asset of $3,208 and $3,356, respectively, based on the present value of the minimum rental payments. Cash payments for amounts included in the measurement of lease liabilities were $1,079 and $1,084 for the years ended May 31, 2024 and 2023, respectively, and are reflected within cash flows from operating activities of $131 and $156, respectively, and cash flows from financing activities of $948 and $928, respectively, on the consolidated statement of cash flows. The weighted average discount rate is 3.49% and 3.31% as of May 31, 2024 and 2023, respectively and the weighted average remaining lease term is 11.8 years and 10.8 years as of May 31, 2024 and 2023, respectively.

Lease costs recognized in the consolidated statements of activities as of May 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Finance lease cost | | |
| Amortization of right-of-use asset | $ 1,013 | $ 866 |
| Interest on lease liabilities | 131 | 156 |
| Operating lease cost | 2,049 | 1,949 |
| Variable lease cost | 18 | 14 |
| Short-term lease cost | 170 | 134 |
| Total lease cost | $ 3,381 | $ 3,119 |

*(In thousands)*

Future minimum lease payments are as follows:

| Years Ending May 31, | Finance | Operating |
|---|---|---|
| 2025 | $ 944 | $ 1,880 |
| 2026 | 696 | 1,923 |
| 2027 | 587 | 1,913 |
| 2028 | 587 | 1,931 |
| 2029 | 448 | 1,977 |
| Thereafter | 1,927 | 11,552 |
| Total minimum lease payments | 5,189 | 21,176 |
| Amounts representing interest | (1,891) | (3,602) |
| Present value of net minimum lease payments | $ 3,298 | $ 17,574 |

**Note 14 – Bonds Payable**

Bonds payable consisted of the following as of May 31:

| | 2024 | 2023 |
|---|---|---|
| Taxable bonds | | |
| Series 2019 B | $ 15,200 | $ 17,200 |
| Series 2016 A | 108,275 | 108,275 |
| Series 2013 B | 20,000 | 20,000 |
| Tax exempt bonds | | |
| Series 2023 | 32,030 | 32,030 |
| Series 2022 | 9,475 | 9,475 |
| Series 2019 A | 44,685 | 44,685 |
| | 229,665 | 231,665 |
| Unamortized net premium | 879 | 934 |
| Unamortized debt issuance costs | (1,964) | (2,068) |
| Total | $ 228,580 | $ 230,531 |

The Series 2023 tax exempt bonds, issued through WHEFA, have an original issuance of $32,030. The interest rate is fixed at 4.00%. Principal payments begin in 2041 with final maturity in 2043 and the bonds have a par call in 2033. The Series 2023 bonds were used to call the 2013 A bonds.

The Series 2022 tax exempt bonds, issued through WHEFA, have an original issuance of $9,475. The interest rate is fixed at 4.00%. The principal amount is due in 2047 and the bonds are callable at par in fiscal year 2032.

The Series 2019 A tax exempt bonds, issued through WHEFA, have an original issuance of $44,685 and were issued in conjunction with the Series 2019 B bonds. The interest rate is fixed at 3.00%. The principal amount is due in 2049 and the bonds are callable at par in fiscal year 2030.

*(In thousands)*

The Series 2019 B taxable bonds, issued through WHEFA, have an original issuance of $30,315 and were issued in conjunction with the Series 2019 A bonds. Interest rates are fixed and range from 1.896% to 2.889%. Principal payments began in 2020 with final maturity in 2034 and the bonds have an optional make-whole call.

The Series 2016 A taxable bonds have an original issuance of $108,275. The interest rate is fixed at 4.158%. Principal payments begin in 2044 with final maturity in 2046 and the bonds have an optional make-whole call.

The Series 2013 B taxable bonds, issued through WHEFA, have an original issuance of $20,000. The interest rate is fixed at 6.00%. Principal payments begin in 2039 with final maturity in 2040 and the bonds have an optional make-whole call.

The taxable bonds and tax-exempt bonds are secured on a parity basis by a pledge of, and lien on, all gross revenues without donor restrictions, as defined in the loan agreement.

Scheduled principal payments on bonds payable are as follows:

| Years Ending May 31, | Principal |
|---|---|
| 2025 | $ 1,520 |
| 2026 | 1,520 |
| 2027 | 1,520 |
| 2028 | 1,520 |
| 2029 | 1,520 |
| Thereafter | 222,065 |
| | 229,665 |
| Unamortized net premium | 879 |
| Unamortized debt issuance costs | (1,964) |
| Total | $ 228,580 |

***(In thousands)***

### Note 15 – Net Assets

The University's net assets were available for the following purposes at May 31:

| | 2024 | 2023 |
|---|---|---|
| Without donor restrictions | | |
| Available for operations | $ 94,858 | $ 87,946 |
| Property, plant, and equipment | 169,689 | 167,152 |
| Board-designated quasi-endowment for financial aid | 42,152 | 39,233 |
| Board-designated quasi-endowment for general support | 32,140 | 30,669 |
| Board-designated quasi-endowment for program support | 12,985 | 12,020 |
| Board-designated for investment in property, plant, and equipment | 145 | 162 |
| Total without donor restrictions | $ 351,969 | $ 337,182 |
| With donor restrictions for time or purpose | | |
| Unappropriated donor-restricted endowment earnings | $ 172,386 | $ 146,004 |
| Program support | 32,739 | 31,111 |
| Property, plant, and equipment | 5,632 | 12,253 |
| Financial aid | 5,296 | 4,833 |
| Life income funds | 3,216 | 3,873 |
| Academic chairs | 2,039 | 2,342 |
| Board-designated quasi-endowment for Foundation | 1,818 | 1,675 |
| Annuities | 870 | 672 |
| Student loan program | 12 | 12 |
| Total with donor restrictions for time or purpose | $ 224,008 | $ 202,775 |
| With donor restrictions in perpetuity | | |
| Financial aid | $ 150,547 | $ 143,677 |
| Program support | 28,023 | 25,741 |
| Academic chairs | 21,457 | 21,139 |
| Split-interest agreements | 11,521 | 10,482 |
| Student loan program | 3,119 | 3,180 |
| Total with donor restrictions in perpetuity | $ 214,667 | $ 204,219 |

*(In thousands)*

### Note 16 – Financial Assets and Liquidity Resources

The following table reflects the University's financial assets, reduced by amounts not available for general expenditures within one year. Financial assets are unavailable when illiquid or not convertible to cash within one year. Other considerations of non-liquid assets are perpetual endowments and accumulated earnings net of appropriations within one year, amounts restricted by donors for nonoperating activities, amounts limited by the University's Board of Trustees, student loans receivable, deposits with bond trustees, and assets held by others. The University considers investment income without donor restrictions, appropriated earnings from donor-restricted and Board-designated endowments, contributions without donor restrictions, and contributions with donor restrictions for current operating activities to be available to meet cash needs for general expenditures. The University considers all expenditures related to its operating activities that are incurred in the course of the normal business operations of the University to be general expenditures.

| | 2024 | 2023 |
|---|---|---|
| Financial assets | | |
| Cash and cash equivalents | $ 59,261 | $ 63,248 |
| Short-term investments | 35,650 | 36,369 |
| Accounts and interest receivable, net | 14,975 | 18,018 |
| Contributions receivable, net | 36,506 | 38,621 |
| Student loans receivable, net | 6,284 | 6,946 |
| Deposits with bond trustees | 1,056 | 9,324 |
| Long-term investments | 526,493 | 471,975 |
| Beneficial interest in split-interest agreements held by others | 13,381 | 13,853 |
| Financial assets at May 31 | 693,606 | 658,354 |
| Less financial assets unavailable for general expenditure within one year | | |
| Accounts receivable beyond one year | 889 | 642 |
| Contributions receivable collectible beyond one year | 20,507 | 25,174 |
| Student loan receivable restricted for financial aid purposes | 6,284 | 6,946 |
| Deposits with bond trustees restricted for construction | 1,056 | 9,324 |
| Other assets with donor, contractual, or board restrictions for construction | 3,194 | 4,989 |
| Endowment assets, net of appropriation for next fiscal year | 448,778 | 408,154 |
| Long-term investments held in custody for others | 20,216 | 15,896 |
| Non-endowment investments beyond one year | 9,891 | 10,761 |
| Assets held by others | 13,381 | 13,853 |
| Financial assets unavailable for general expenditure within one year | 524,196 | 495,739 |
| Financial assets available to meet cash needs for general expenditure within one year | $ 169,410 | $ 162,615 |

The University's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. In addition to financial assets available to meet general expenditures over the next year, the University's goal is to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the consolidated statements of cash flows, which illustrates the sources and uses of the University's cash generated by operating activities for the years ended May 31, 2024 and 2023.

*(In thousands)*

Cash in excess of daily requirements is typically invested in short-term, liquid securities. The University also has $25,000 in committed lines of credit. The outstanding advances against the lines of credit for the years ended May 31, 2024 and 2023, were $0 for both years. Additionally, the University has $87,277 and $81,922 in Board-designated endowment as of May 31, 2024 and 2023, respectively. These funds remain available and may be spent at the discretion of the Board. The University maintains sufficient liquidity within the endowment to cover Board-designated amounts, funding commitments, and appropriations for spending distributions. Outstanding funding commitments are $11,375 and may be called by the investment manager at any time (see Note 9).

### Note 17 – Expenses by Natural and Functional Classification

The University's primary program activity is academic instruction and support. Facilities operation and maintenance, interest, and depreciation and amortization are allocated among functional classifications based on usage of space, square footage, building costs, and debt proceeds usage. Information technology costs are allocated based on software usage and the overall number of employees in the various functional categories. All other costs are charged directly to the appropriate functional category.

Expenses by natural and functional classification for the year ended May 31, 2024, were as follows:

| | Program Activities | | Supporting Activities | | | |
|---|---|---|---|---|---|---|
| | Academic Instruction & Support | Student Services & Auxiliaries | Administrative Support | Fundraising | Facilities Operation & Maintenance | Total Expense |
| Salaries, wages, and benefits | $ 96,828 | $ 43,399 | $ 24,187 | $ 3,807 | $ 11,127 | $ 179,348 |
| Professional fees and contracted services | 13,500 | 13,962 | 3,238 | 231 | 335 | 31,266 |
| Occupancy, utilities, and maintenance | 6,002 | 3,686 | 3,143 | 161 | 7,655 | 20,647 |
| Depreciation and amortization | 7,293 | 8,897 | 2,894 | - | 148 | 19,232 |
| Meetings, travel, and memberships | 3,704 | 9,241 | 1,939 | 754 | 34 | 15,672 |
| Materials, supplies, printing, and postage | 5,454 | 2,653 | 1,135 | 439 | 2,038 | 11,719 |
| Interest | 2,524 | 5,565 | 859 | - | 138 | 9,086 |
| Other expenses | 894 | 2,703 | 1,472 | 547 | 11 | 5,627 |
| | 136,199 | 90,106 | 38,867 | 5,939 | 21,486 | 292,597 |
| Facilities operation and maintenance | 8,208 | 9,868 | 3,069 | 341 | (21,486) | - |
| Total expenses | $ 144,407 | $ 99,974 | $ 41,936 | $ 6,280 | $ - | $ 292,597 |

***(In thousands)***

Expenses by natural and functional classification for the year ended May 31, 2023, were as follows:

| | Program Activities | | Supporting Activities | | | |
|---|---|---|---|---|---|---|
| | Academic Instruction & Support | Student Services & Auxiliaries | Administrative Support | Fundraising | Facilities Operation & Maintenance | Total Expense |
| Salaries, wages, and benefits | $ 92,450 | $ 40,599 | $ 22,198 | $ 3,541 | $ 11,179 | $ 169,967 |
| Professional fees and contracted services | 12,144 | 14,149 | 2,832 | 219 | 401 | 29,745 |
| Depreciation and amortization | 7,671 | 9,313 | 2,746 | 218 | 157 | 20,105 |
| Occupancy, utilities, and maintenance | 5,332 | 3,268 | 2,990 | 99 | 7,261 | 18,950 |
| Meetings, travel, and memberships | 2,936 | 8,920 | 2,005 | 417 | 25 | 14,303 |
| Materials, supplies, printing, and postage | 5,484 | 2,630 | 1,227 | 532 | 1,945 | 11,818 |
| Interest | 2,776 | 5,773 | 896 | 100 | 152 | 9,697 |
| Other expenses | 711 | 3,305 | 1,314 | 61 | 9 | 5,400 |
| | 129,504 | 87,957 | 36,208 | 5,187 | 21,129 | 279,985 |
| Facilities operation and maintenance | 8,145 | 9,892 | 2,861 | 231 | (21,129) | - |
| Total expenses | $ 137,649 | $ 97,849 | $ 39,069 | $ 5,418 | $ - | $ 279,985 |

**Note 18 – Retirement Plans**

Retirement benefits are provided to all employees (excluding students) working a minimum of 1,000 hours per year under a 403(b) defined contribution plan (Plan). Beginning the first day of the month following one year of service, eligible employees are required to contribute 5% of their salary and the University contributes 8.5%. All contributions vest immediately and are subject to annual IRS limitations. The Plan is administered by TIAA and offers a variety of investment options from TIAA and other funds. The University's expense for the Plan was $8,934 and $8,528 for the years ended May 31, 2024 and 2023, respectively.

The University maintains two 457(b) supplemental deferred compensation plans funded by highly compensated employee pre-tax dollar contributions. The original plan was frozen to new participants on December 31, 2016. The second plan commenced on January 1, 2017. Voluntary employee contributions and accumulated earnings to the 457(b) plans of $4,982 and $4,224 as of May 31, 2024 and 2023, respectively, are included in long-term investments and accrued benefits payable. By IRS regulations, these funds are considered to be assets of the University until distributed to participants.

The University also maintains a 457(f) non-qualified deferred compensation plan funded by the University. The purpose of the plan is to permit certain employees selected by the Board of Trustees to accumulate deferred compensation. The plan covers employees who are among a select group of management or highly compensated employees. Contributions vested and were paid in January 2024. The University's expense for the plan was $208 and $334 for the years ended May 31, 2024 and 2023, respectively. As of May 31, 2024 and 2023, the University recognized accrued salary and benefits payable of $0 and $1,377, respectively, with corresponding long-term investments of $0 and $1,586, respectively.

*(In thousands)*

**Note 19 – Related Parties**

Unsecured contributions receivable and contributions revenue includes amounts from the Board of Trustees as listed below:

| | 2024 | 2023 |
|---|---|---|
| Contributions receivable | $ 21,750 | $ 16,648 |
| Contributions revenue | 552 | 1,364 |

**Note 20 – Commitments and Contingencies**

**Commitments** – The University has obtained or has plans to obtain the necessary funding for the acquisition, construction, renovation, and furnishing of certain facilities that will be capitalized in the applicable capital asset categories upon completion. Management estimates that the University has sufficient resources available and/or future resources identified to satisfactorily complete the construction of such projects, which are expected to be completed in varying phases over the next one or two years at an estimated unexpended cost of $6,999. Of the unexpended balance, the University has remaining commitment balances of $6,124 with certain engineering firms, construction contractors, and vendors related to these projects. Retainages payable on these capitalized projects as of May 31, 2024, were $875.

Gonzaga University has an agreement with the University of Washington, an institution of higher education and an agency of the state of Washington, School of Medicine to provide faculty, student support services, and facilities for the University of Washington School of Medicine – Gonzaga University Health Partnership. The program expands the University of Washington's Washington, Wyoming, Alaska, Montana, and Idaho medical education program in Spokane, with an emphasis in meeting the needs of rural and medically underserved communities in eastern Washington. The agreement is effective until June 30, 2034, with automatic renewals for two-year terms thereafter, unless the parties terminate the agreement via written mutual agreement or written notice of termination, by either party, 24 months in advance.

**Contingencies** – From time to time, the University is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the results of these matters will not have a significant impact on the consolidated financial statements.

The University receives and expends monies under federal grant programs and is subject to audits by governmental agencies. The University believes that any liabilities resulting from such audits would not have a material impact on the consolidated financial statements of the University.

## Mission Statement

Gonzaga University is an exemplary learning community that educates students for lives of leadership and service for the common good.

In keeping with its Catholic, Jesuit, and humanistic heritage and identity, Gonzaga models and expects excellence in academic and professional pursuits and intentionally develops the whole person -- intellectually, spiritually, culturally, physically, and emotionally.

Through engagement with knowledge, wisdom, and questions informed by classical and contemporary perspectives, Gonzaga cultivates in its students the capacities and dispositions for reflective and critical thought, lifelong learning, spiritual growth, ethical discernment, creativity, and innovation.

The Gonzaga experience fosters a mature commitment to dignity of the human person, social justice, diversity, intercultural competence, global engagement, solidarity with the poor and vulnerable, and care for the planet. Grateful to God, the Gonzaga
community carries out this mission with responsible stewardship of our physical, financial, and human resources.

## Vision Statement

Gonzaga is a premier Liberal Arts based University recognized nationally for providing an exemplary Jesuit education that empowers its graduates to lead, shape, and serve their chosen fields and the communities to which they belong.

502 E Boone Ave, Spokane, WA 99258

GONZAGA
UNIVERSITY