



LIBERTY UNIVERSITY

Annual Disclosure Report

Fiscal Year Ended June 30, 2022

November 23, 2022



Liberty University

Annual Disclosure Report
for the Fiscal Year Ended
June 30, 2022

11/23/2022

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I. INTRODUCTION

Pursuant to the Continuing Disclosure Agreements dated January 19, 2012, and December 3, 2019 (collectively, the “Disclosure Agreement”) executed and delivered in connection with the issuance of the \$100,000,000 Liberty University 5.1000% Taxable Bonds Series 2012 (the “Series 2012 Bonds”), the \$99,710,000 Liberty University, Inc. Taxable Bonds, Series 2019 (the “Series 2019 Bonds”), and the \$150,000,000 Liberty University Tax Exempt Extendable Commercial Paper issued by the Virginia College Building Authority, Liberty University (the “University”) hereby provides its annual disclosure report for the fiscal year ended June 30, 2022 (the “Annual Disclosure Report”).

A. CUSIP Numbers

The CUSIP Number set forth for the Series 2012 Bonds is 531543AC0 with a maturity date on March 1, 2042.

Each maturity of the Series 2019 Bonds is identified by the corresponding CUSIP Number set forth below:

<u>Maturity Date</u>	<u>Series</u>	<u>CUSIP</u>
03-01-2024	Series 2019	531543AD8
03-01-2034	Series 2019	531543AF3

Note: The CUSIP Numbers above are provided for the convenience of the Bondholders. The University is not responsible for the accuracy of such numbers. As of June 30, 2022, there was no commercial paper outstanding.

B. Annual Disclosure Report

The University’s Annual Disclosure Report includes this Introduction, the information required by section 4 of the Continuing Disclosure Agreement set forth in the Official Statement dated January 11, 2012 (“Series 2012 Bonds”), the information required by the Continuing Disclosure set forth in the Bond Indenture dated December 1, 2019 (“Series 2019 Bonds”), and the University’s audited consolidated financial statements for the fiscal years ended June 30, 2022 and 2021 (the “University’s Fiscal Year 2022 Audited Financial Statements”). A copy of the University’s Fiscal Year 2022 Audited Financial Statements is available in Appendix A of this document and has been posted on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>. Please note that this Annual Disclosure Report is intended to be read in conjunction with the University’s Fiscal Year 2022 Audited Financial Statements.

C. Other Matters

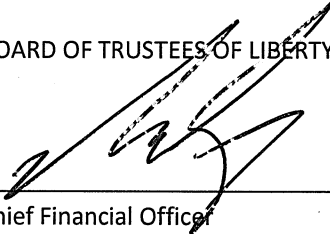
This Annual Disclosure Report is provided solely pursuant to the Disclosure Agreement. The filing of the Annual Disclosure Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the University or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this Annual Disclosure Report relates (other than as contained in this Annual Disclosure Report), or that no other information exists, which may have a bearing on the security for the Bonds, or an investor’s decision to buy, sell or hold the Bonds. The

information contained in this Annual Disclosure Report has been obtained from sources which are believed to be reliable. No statement in this Annual Disclosure Report should be construed as a prediction or representation about future financial performance of the University.

This Annual Disclosure Report, which includes the University's Fiscal Year 2022 Audited Financial Statements, contains certain forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use of words of phrases such as "will result," "expect to," "will continue," "anticipates," "plans," "intends," "estimated," "projects," and "outlook") are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those expressed or implied by such forward-looking statements. Although the University believes that the expectations reflected in the forward-looking statements are reasonable, the University cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the University nor any other person assumes responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Annual Disclosure Report. The University undertakes no obligation to publicly update or revise any forward-looking statements in this Annual Disclosure Report, whether as a result of new information, future events or otherwise.

Dated: 11/23/2022

THE BOARD OF TRUSTEES OF LIBERTY UNIVERSITY

By:  _____
Chief Financial Officer

II. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS

A. Fiscal Year Ended June 30, 2022

Residential fall enrollment increased 6.5% from 14,520 in fiscal year 2021 to 15,464 in fiscal year 2022. Liberty University Online enrollment increased 1.0% from 113,953 in fiscal year 2021 to 114,786 in fiscal year 2022. Total revenues increased 5.0% from \$1.15 billion in fiscal year 2021 to \$1.21 billion in fiscal year 2022. Total expenditures increased by 12.1% from \$839.8 million in fiscal year 2021 to \$941.6 million in fiscal year 2022. Long-term debt decreased from \$195 million in fiscal year 2021 to \$191.5 million in fiscal year 2022. Expendable financial resources improved from \$2.35 billion in fiscal year 2021 to \$2.39 billion in fiscal year 2022. Total net assets increased by 1.9% from \$3.46 billion in fiscal year 2021 to \$3.53 billion in fiscal year 2022. Net assets without donor restrictions comprised 99.1% of total net assets in fiscal year 2022.

In August 2021, an external law firm completed the forensic investigation authorized by the Board into certain facets of the University's operations during the tenure of Former President Falwell's leadership and the University began implementing the firm's recommendations during fiscal year 2022.

Dr. Jerry Prevo continued to serve as Acting President and the Search Committee of the Board publicly kicked off the Presidential search in August, 2022.

On March 11, 2021, President Biden signed into law the "American Rescue Plan ("ARP") Act." The ARP Act created an additional allocation of federal funds for education under the HEERF Grant ("HEERF 3"). The University was allocated \$63,492,347 of HEERF 3 funds. During the year ended June 30, 2022, the University drew down and disbursed all \$40,543,741 of HEERF 3 funds allocated for student aid directly to students. During the year ended June 30, 2022, the University expended and recognized \$9,747,281 of HEERF 3 funds to reimburse institutional expenses related to COVID-19 as grants and contracts revenue in the accompanying statement of activities. As of the date of this report, an additional \$5,532,144 of HEERF 3 funds has been drawn down to reimburse institutional expenses.

III. ACADEMICS

A. Residential Academic Schools and Programs

The University offers 13 certificate programs, 238 undergraduate programs and specializations, 124 graduate programs and specializations and eight doctoral programs and specializations. Listed below is a description of the various schools and colleges of the University:

College of General Studies. Beginning in Fall 2019 the College of General Studies was absorbed by the College of Applied Studies and Academic Success. The College of General Studies oversees the general education curriculum and introductory courses across all of the University's undergraduate programs. The College of General Studies provides undergraduate students, particularly during their first two years of study, with the academic preparation to help them succeed when pursuing a degree from one of the University's schools and colleges listed below.

College of Applied Studies & Academic Success. The College of Applied Studies & Student Success offers an Associate of Arts, Bachelor of Science and Bachelor of Arts in Individualized Programs of Study, and an Associate of Applied Science in Technical Studies in the trades of Welding, Electrical, Plumbing, HVAC, and Carpentry. Students who have not decided on a major, or students who are not enrolled in a degree-seeking program are placed into the College of Applied Studies & Academic Success.

College of Arts and Sciences. The College of Arts and Sciences is comprised of the Departments of English, Family and Consumer Sciences, General Math and Sciences, History, Interdisciplinary Studies, Mathematics, Modern Languages, and Army ROTC. The Department of English offers the Bachelor of Arts and Master of Arts in English, and a Bachelor of Science in Writing. The Department of General Math and Science offers an Associate of Science in STEM Mathematics. The Department of History offers Bachelor of Arts in History, Bachelor of Science in History and Military Studies with a focus on Leadership, Associate of Arts in History, Bachelor of Science in Social Sciences, and a Master of Arts in History. The Department of Interdisciplinary Studies offers the Bachelor of Arts in Interdisciplinary Studies, Bachelor of Science in Interdisciplinary Studies, and Associates of Arts in Interdisciplinary Studies. The Department of Modern Languages offers the Bachelor of Arts in American Sign Language & Interpreting, Spanish, and Teaching English as a Second/Foreign Language as well as a Certificate in Teaching English as a Second Language. The Department of Family and Consumer Sciences offers the Bachelor of Science in Family & Child Development, Family & Consumer Sciences with a concentration in Professional and Creative Industries and Event Planning, Fashion with concentrations in Fashion Design and Fashion Merchandising, and Interior Design. The Department of Mathematics offers the Bachelor of Science in Mathematics and Applied Mathematics and Statistics with a specialization in Actuarial. The ROTC Department offers minors in Military Leadership – Army and Military Leadership - Air Force.

Helms School of Government. The Helms School of Government offers the Associate of Arts in Government and an Associate of Arts in Criminal Justice. Bachelor level degrees offered include a Bachelor of Science in Criminal Justice with specializations in Advanced Investigative Studies, Crime Scene Investigation, Homeland Security, Juvenile Justice, Public Administration, and Strategic Intelligence Studies; a Bachelor of Arts in Government with a concentrations in Politics and Policy and National Security Studies; a Bachelor of Science in Government with concentrations in Politics and Policy and National Security Studies; a Bachelor of Arts in International Relations with concentrations in International Politics and Policy and Strategic Intelligence Studies; a Bachelor of Science in Law & Policy with a

concentration in Pre-Law and a Bachelor of Arts in Law & Policy. A Master of Arts in Public Policy is also offered.

Liberty University College of Osteopathic Medicine. The Liberty University College of Osteopathic Medicine offers a Doctor of Osteopathic Medicine and is accredited by the American Osteopathic Association's Commission on Osteopathic College Accreditation (AOA-COCA).

Liberty University School of Law. The Liberty University School of Law offers the Juris Doctor degree and is fully accredited by the American Bar Association. Dual Juris Doctorate degree programs are offered in conjunction with other graduate programs such as the Master of Arts in History, Master of Business Administration, Master of Arts in Public Policy, and Master of Religion.

Rawlings School of Divinity. The Liberty University Baptist Theological Seminary and the School of Religion were combined to form the School of Divinity and then were subsequently renamed as the John W. Rawlings School of Divinity. Undergraduate programs are the Bachelor of Arts in Biblical Studies; Bachelor of Arts in Theology & Apologetics with specializations in Biblical Scholarship, Global Studies, and Writing & Literature; Bachelor of Science in Camp and Outdoor Adventure Leadership with specializations in Global Studies, Sport Outreach, and Youth Ministries; Bachelor of Science in Christian Leadership and Church Ministries with specializations in Biblical Studies, Camp & Outdoor Adventure Leadership, Global Studies, Technical Studies, Theology & Apologetics, Women's Leadership, and Worship; Bachelor of Science in Global Studies; Bachelor of Science in Pastoral Leadership; Bachelor of Science in Religious Studies with specializations in Biblical Languages, Global Studies, New Testament, Old Testament, and Theology & Apologetics; and the Bachelor of Science in Youth Ministries with specializations in Biblical Studies, Camp & Outdoor Adventure Leadership, Christian Leadership, Global Studies, Pastoral Leadership, Sport Outreach, Technical Studies, Theology & Apologetics, Women's Leadership, and Worship. Graduate programs are the Master of Arts in Biblical Exposition; Master of Arts in Christian Apologetics; Master of Arts in Biblical Studies; Master of Arts in Christian Ministry; Master of Arts in Global Studies; Master of Arts in Religion with specializations in Biblical Studies, Christian Apologetics, Church History, Church Ministry in Digital Age, Community Chaplaincy, Discipleship & Church Ministry, Evangelism & Church Planting, Global Studies, Homiletics, Leadership, Pastoral Counseling, Pastoral Ministries, Theology, and Worship; Master of Arts in Theological Studies; Master of Divinity with specializations in Biblical Studies, Biblical Languages, Christian Leadership & Church Ministries, Christian Thought, Church Ministry in Digital Age, Discipleship Ministries, General, Global Studies, Homiletics, and Pastoral Counseling; Master of Divinity in Professional Chaplaincy with specializations in - General, Healthcare, Military, and Community; and the Master of Theology with specializations in Biblical Studies, Christian Apologetics, Church History, Global Studies, Homiletics, and Theology. Graduate Certificates are offered in Greek and Hebrew.

School of Aeronautics. The School of Aeronautics is a FAA-certified flight school offering a Bachelor of Science in Aeronautics with specializations in Commercial/Corporate, Global Studies, and Military; a Bachelor of Science in Aviation Administration with specializations in Aviation Safety Management and Flight; a Bachelor of Science in Aviation Maintenance with specializations in Management and Unmanned Aerial Systems; a Bachelor of Science in Aviation Technology with a specialization in Flight & Maintenance; and a Bachelor of Science in Unmanned Aircraft Operations. The school also offers an Associate of Arts in Aviation Maintenance Technician, and undergraduate certificates in Aviation Maintenance Technician and Medium Unmanned Aerial Systems.

School of Behavioral Sciences. The School of Behavioral Sciences is comprised of the Departments of Community Care & Counseling, Counselor Education & Family Studies, Psychology, and Social Work. Undergraduate programs offered are the Bachelor of Science in Psychology with specializations in Child Life Specialist, Counseling, Developmental Psychology, Criminal Psychology, Industrial/Organizational Psychology, and Sport Psychology; and the Bachelor of Science in Social Work. Graduate programs offered are the Master of Arts in Applied Industrial/Organizational Psychology; Master of Arts in Clinical Mental Health Counseling; Master of Arts in Marriage & Family Counseling; Master of Arts in Pastoral Counseling with specializations in Crisis Response & Trauma, Discipleship & Church Ministry, Leadership, Marriage & Family, Pastoral Counseling, and Theology; the Master of Science in Psychology; the Master of Social Work with specializations in General and Individual & Family Clinical; and the Doctor of Psychology in Clinical Psychology.

School of Business. The School of Business offers the Bachelor of Science in Accounting; Bachelor of Science in Business Administration with specializations in Finance, Financial Planning, Healthcare Management, Automotive Dealership Management, Communications, Data Analytics, Digital Marketing & Advertising, Economics, Entrepreneurship, Human Resource Management, Humanitarian Aid, International Business, Marketing Analytics, Marketing: Sales Management & Professional Selling, Project Management, and Supply Chain Management; Bachelor of Science in Computer Science with specializations in Cybersecurity, General, Software Engineering, and Web & Mobile Programming; Bachelor of Science in Hospitality Management with specialization in Conference and Event Management; a Bachelor of Science in Coaching; a Bachelor of Science in Informatics; Bachelor of Science in Information Systems with specializations in Accounting Information Systems, Data Networking, Database, Global Studies, and Information Assurance; Bachelor of Science in Information Technology with specializations in Application & Database Development, Data Networking & Security, Gaming Design, and Web & Mobile Programming; Bachelor of Science in Sport Management with specializations in General, Sport Administration, Sport Communication & Public Relations, Sport Outreach, and Sport Venue Management. Graduate programs offered are the Master of Business Administration with specialization in Accounting, Criminal Justice Administration, Economics, Executive Coaching, Finance, Healthcare Management, Human Resources, International Business, Leadership, Marketing, Non-Profit Leadership & Management, Project Management, Public Administration, Public Relations, Real Estate Development, Strategic Management, Strategic Media & Digital Content, Supply Chain Management & Logistics, and Tourism Management; Master of Science in Cyber Security; Master of Science in Information Technology with specializations in Network Design & Security and Software Design & Management; Master of Science in Sport Management with specializations in Coaching & Athletic Administration, Tourism, Outdoor Adventure Sport, and Sport Administration. A graduate business certificate is also offered.

School of Communication and the Arts. The School of Communications and the Arts was formerly part of the School of Communication and Creative Arts and has been combined with the School of Visual and Performing Arts. The School of Communication and the Arts is comprised of the Department for Cinematic Arts, the Department of Digital Media & Journalism, the Department of Strategic and Personal Communication, the Department of Studio & Digital Arts, and the Department for Theatre Arts. The School of Communication and the Arts offers the Bachelor of Arts in Theatre Arts, Bachelor of Fine Arts in Acting; the Bachelor of Science in Communication with specializations in Communication and Integrated Communication; a Bachelor of Science in Digital Media and Journalism with specializations in Audio – Live Production, Audio – Music Recording, Audio – Post Production, Church Media Production, Digital Journalism, Entertainment Journalism, Sports Journalism, Video Editing, and Video Production; a Bachelor of Science in Film Production & Content Development; a Bachelor of Fine Arts in Musical Theatre; a Bachelor of Fine Arts in Graphic Design; a Bachelor of Fine Arts in Studio Art; a Bachelor of Science in

Strategic Communications with specializations in Social Media Management and Strategic Communication; a Bachelor of Science in Studio & Digital Arts with specializations in Graphic Design and Studio Art; and a Bachelor of Science in Theatre Arts. The School of Communication and the Arts also offers the Master of Fine Arts in Graphic Design and Studio Art; the Master of Arts in Strategic Communication and Communication; and the Master of Arts in Communication.

School of Education. The School of Education provides programs designed to produce teachers and administrative educators to work at the pre-school through high school level. The School of Education offers a Bachelor of Education in Biology Education 6-12; a Bachelor of Education in Business Education 6-12; a Bachelor of Education in Chemistry Education 6-12; a Bachelor of Education in Computer Science Education 6-12; a Bachelor of Education in Elementary Education with specializations in Middle Grades English, Middle Grades Mathematics, Middle Grades Science, and Middle Grades Social Science; a Bachelor of Education in Elementary Education with Special Education General Curriculum K-6 Add-On; a Bachelor of Education in Engineering Education 6-12; a Bachelor of Education in English as a Second Language Education P-12; a Bachelor of Education in English Education 6-12; a Bachelor of Education in Family & Consumer Sciences Education 6-12; a Bachelor of Education in Health & Physical Education P-12; a Bachelor of Education in Mathematics Education 6-12; a Bachelor of Education in Middle Education with specializations in English, Math, Science, and Social Science; a Bachelor of Education in Social Studies Education 6-12; a Bachelor of Education in Spanish Education P-12; a Bachelor of Education in Special Education; a Bachelor of Education in Theatre Arts Education P-12; and a Bachelor of Education in Visual Arts Education P-12. Certificates in Algebra I Education, Journalism Education, and Speech Education are also offered.

School of Engineering. The School of Engineering offers the Bachelor of Science in Civil Engineering; Bachelor of Science in Computer Engineering; Bachelor of Science in Electrical Engineering; Bachelor of Science in Industrial & Systems Engineering; Bachelor of Science in Mechanical Engineering; a Master of Science in Engineering; and a Doctor of Philosophy in Engineering.

School of Health Sciences. The School of Health Sciences is comprised of the Department of Biology & Chemistry, Department of Allied Health Professions, and the Department of Public and Community Health. The School of Health Science offers a Bachelor of Science in Biochemistry and Molecular Biology; Bachelor of Science in Biomedical Sciences with a specialization in Global Studies; a Bachelor of Science in Biopsychology; Bachelor of Science in Biotechnology; Bachelor of Science in Chemistry; Bachelor of Science in Conservation & Environmental Biology; Bachelor of Science in Exercise Science with a specialization in Fitness Specialist, Strength and Conditioning Specialist, and Therapeutic Science; Bachelor of Science in Forensic Science; Bachelor of Science in General Biology; Bachelor of Science in Physical Education and Health; Bachelor of Science in Public Health with specializations in Health Promotions, Pre-Clinical, and Health Promotion and Master of Public Health; Bachelor of Science in Respiratory Therapy; Bachelor of Science in Zoo and Wildlife Biology; and a Bachelor of Science in Zoology. The School of Health Sciences also offers a Master of Public Health with specializations in Epidemiology, Global Health, Health Promotion, and Nutrition; Master of Science in Athletic Training; a Master of Science in Biomedical Sciences; Master of Science in Exercise Science and Wellness with specializations in Fitness & Performance and Nutrition & Wellness; Master of Science in Human Performance with specializations in Clinical, Fitness & Wellness, Nutrition, and Strength & Conditioning; and a PhD in Anatomy & Cell Biology. Graduate certificates in Epidemiology, Global Health, Health Promotion, and Nutrition are also offered.

School of Music. The School of Music is comprised of the Center for Music and Worship, Center for Music Education & Performance, Department of Commercial Music, Department of Multi-Ethnic Music Studies, Department of Music & Worship Studies, and Michael W. Smith Center for Commercial Music. The School of Music offers a Bachelor of Music in Commercial Music with specializations in Artist Development, Publishing & Producing, Songwriting, Film Scoring, Jazz Studies, Recording, Engineering & Producing; Bachelor of Music in Guitar Performance; Bachelor of Music in Music Education with specialization in Choral and Instrumental; Bachelor of Music in Music in World Cultures; Bachelor of Music in Piano Performance; Bachelor of Music in String Performance; Bachelor of Music in Vocal Performance; Bachelor of Music in Woodwind, Brass, or Percussion Performance; Bachelor of Music in Worship Leadership; Bachelor of Science in Commercial Music; Bachelor of Science in Music & Worship with specializations in Biblical Studies, Business, Pastoral Leadership, Women’s Leadership, Worship Technology, and Youth Ministries; Bachelor of Science in Music Instrumental; a Bachelor of Science in Music Vocal; and a Bachelor of Science in Music in World Cultures. The School of Music offers a Master of Arts in Music and Worship with specializations in Commercial Music Performance, Conducting, and Worship & Music Studies; Master of Arts in Music Education with specializations in Conducting, Performance, and Music Studies; and a Master of Arts in Worship Studies with specializations in Ethnomusicology, Leadership, and Worship Techniques.

School of Nursing. The School of Nursing offers the Bachelor of Science in Nursing with a specialization in Accelerated Pre-Licensure Program: BA/BS, Accelerated Pre-Licensure Program: Veteran; a Bachelor of Science in Nursing: Pre-licensure (B.S.N) with a specialization in Global Studies; and the Doctor of Nursing Practice with a Family Nurse Practitioner specialization.

The following table provides information on the distribution of resident undergraduate, graduate and doctoral students among the schools & colleges for fiscal year 2022:

Schools & Colleges:	Number of Students	Percent¹
College of Applied Studies & Academic Success	264	1.7%
College of Arts & Sciences	1,447	9.1%
Helms School of Government	976	6.2%
Liberty University College of Osteopathic Medicine	628	4.0%
Liberty University School of Law	294	1.8%
Rawlings School of Divinity	813	5.1%
School of Aeronautics	643	4.1%
School of Behavioral Sciences	1,381	8.7%
School of Business	3,236	20.5%
School of Communication & the Arts	1,413	8.9%
School of Education	659	4.2%
School of Engineering	611	3.9%
School of Health Sciences	1,879	11.9%
School of Music	553	3.5%
School of Nursing	1,011	6.4%

Notes:

1. The numbers in each column may not equal totals due to rounding.

B. Liberty University Online Programs Academic Schools and Programs

In 1985, the University established its off-campus distance learning program to provide educational course offerings to students around the world. Prior to the Internet, all distance learning courses used videotaped lectures and other accompanying course materials.

The University's on-line distance learning program has grown to be a significant part of the University's operations. In June 2007, the program became known as Liberty University Online and has subsequently been rebranded to Liberty University Online Programs. In January 2008, Liberty University Online Programs was ranked third nationally by the Online Education Database based on quality factors such as retention, graduation rate, student-faculty ratio and the number of years accredited and in operation. On August 2, 2013 and continued in 2014, Liberty University was ranked first nationally by TheBestSchools.org among online Christian schools based on Christian character, academic prestige, and extent and quality of online degree programs. Liberty University was ranked No. 1 in the nation for its online degrees in counseling in the OnlineU's 2015 Best Value in Online College Rankings. In 2014, according to a BBC report, Google has revealed that Liberty University was the 17th highest searched for university in the world. The number of full-time and part-time students participating in Liberty University Online Programs undergraduate and graduate programs at the University was 85,848 in fiscal year 2018 and 114,786 in fiscal year 2022.

Although Liberty University Online Programs courses differ from residential course offerings due to methodologies of instruction, Liberty University Online Programs courses are comparable to residential courses in content. Liberty University Online Programs utilizes the online software platform Canvas so that students can have Internet access to reading materials, other online resources and interaction with professors and other students. The focus of courses offered by Liberty University Online Programs is primarily business, education, psychology, religion, counseling and nursing. Liberty University Online Programs offers 92 certificate programs, 175 undergraduate programs and specializations, 319 masters and post masters programs and specializations, and 108 doctorate programs and specializations.

The following summarizes the online programs that are offered through each of the schools and colleges:

College of Applied Studies & Academic Success. Students who have not decided on a major, or students who are not enrolled in a degree-seeking program are placed into the College of Applied Studies & Academic Success.

College of Arts & Sciences. The College of Arts & Sciences offers the Associate of Arts in Creative Writing; Associate of Arts in History; Associate of Arts in Interdisciplinary Studies; Associate of Arts in Military History, Associate of Arts in Philosophy, Politics, and Economics, and the Associate of Science in STEM Mathematics. Bachelor degrees offered are the Bachelor of Science in Computational Mathematics with specializations in Actuarial, Engineering, Computer Science, and Information Systems; Bachelor of Science in English & Writing with specializations in Creative Writing and Journalism; Bachelor of Science in Fashion Merchandising with specializations in Fashion Writing and Creative Design; Bachelor of Science in Geography; Bachelor of Science in History; Bachelor of Science in Interdisciplinary Studies; Bachelor of Science in Military Studies with specializations in History, International Security, Professional, and Resiliency; Bachelor of Science in Physics and the Bachelor of Science in Teaching English as a Second Language. Graduate programs are the Master of Arts in Composition; Master of Arts in Geography; Master of Arts in History; Master of Arts in Interdisciplinary Studies; Master of Arts in Professional Writing; Master of Arts in Public History; Master of Arts in Teaching English as a Second Language; Master of Arts in Linguistics with specializations in Applied Linguistics, English Language Studies, and Teaching English as

a Second Language; Master of Arts in Military Operations with specializations in Military History, Military Leadership, National Security, and Supply Chain Logistics & Geography; Master of Fine Arts in Creative Writing; and the PhD in History. An undergraduate certificate in Teaching English as a Second Language and an Executive Certificate in History is also offered.

Helms School of Government. The Helms School of Government offers the undergraduate programs in the Associate of Arts in Criminal Justice; Bachelor of Science in Criminal Justice with specializations in Business Administration & Management, Corrections and Human Services, Crime Scene Investigation, Criminal Psychology, Homeland Security, Juvenile Justice, Public Administration, and Strategic Intelligence Studies; Bachelor of Science in Fire Administration; Bachelor of Science in Government with specializations in National Security, Politics & Policy, and Public Administration; Bachelor of Science in Law & Policy with specializations in Pre-Law and Public Policy; Bachelor of Science in Political Science; and the Bachelor of Science in Public Administration. Undergraduate certificates are offered in Criminal Justice and Public Administration. Graduate programs are the Master of Arts in Public Policy with specializations in Campaign & Elections, International Affairs, Leadership, Middle East Affairs, Policy Studies, and Public Administration; Master of Public Administration with specializations in Business & Government, Disaster Management, Fire Administration, General, Healthcare, Law & Public Policy, and Public & Non-Profit Management, and Urban Planning; Master of Science in Criminal Justice with specializations in Corrections Management, Cybercrime Investigation, Forensic Psychology, Law Enforcement Leadership, Homeland Security, Legal Studies, Public Administration, and Restorative Justice; Master of Science in Homeland Security & Disaster Management; Master of Science in International Relations; Master of Science in National Security with a specialization in Homeland Security; Master of Science in Political Science; Master of Science in Public Safety with specializations in Criminal Justice, Fire Administration, General, and Homeland Security; Doctor of Public Administration, Doctor of Philosophy in Criminal Justice with specializations in Homeland Security and Leadership; Doctor of Philosophy in Public Administration, Doctor of Criminal Justice with specializations in Homeland Security, General, and Leadership; Doctor of Philosophy in Public Policy with specializations in Economic Policy, Education Policy, Foreign Policy, National Security Policy, and Social Policy; and a Doctor of Law & Policy. Certificate programs are the Advanced Graduated Certificate in Criminal Justice, Advanced Graduate Certificate in Homeland Security, Advanced Graduate Certificate in Public Policy, Executive Certificate in Criminal Justice, Executive Certificate in Public Administration, Executive Certificate in Public Policy, Graduate Certificate in Criminal Justice, Graduate Certificate in Public Administration, Graduate Certificate in Public Policy.

Liberty University School of Law. The Liberty University School of Law offers the Associate of Arts in Paralegal Studies and the Bachelor of Science in Paralegal Studies. Graduate programs are the Juris Master with specializations in General, Compliance, and Health Law; Juris Master in American Legal Studies, Juris Master in International Legal Studies; the Master of Laws in International Legal Studies, A Certificate is offered in Paralegal Studies.

Rawlings School of Divinity. The John W. Rawlings School of Divinity offers undergraduate programs in the Associate of Arts in Apologetics; Associate of Arts in Biblical Studies; Associate of Arts in Religion; Bachelor of Science in Applied Ministry; Bachelor of Science in Biblical and Educational Studies with specialization in Biblical & Theological Studies; Bachelor of Science in Bible with specializations in Apologetics, Christian Counseling, Christian Ministries, and Theology; Bachelor of Science in Christian Leadership and Management with specialization in Business Management; Bachelor of Science in Cultural Engagement; Bachelor of Science in Religion with specializations in Apologetics, Christian Leadership, Next Generation Ministries, Biblical & Theological Studies, Christian Counseling, Christian Ministries,

Evangelism, Digital Discipleship, and Global Studies. Undergraduate certificates are offered in Biblical Studies, Christian Ministry, and Global Studies. Graduate programs are the Doctor of Ministry with specializations in Biblical Studies, Chaplaincy, Church Revitalization, Discipleship, Evangelism & Church Planting, Expository Preaching & Teaching, Ministry Leadership, Next Generation Ministry, Pastoral Counseling, Spiritual Formation, Strategic Christian Ministry, Theology & Apologetics, Urban Ministry, and Worship; Doctor of Education in Christian Leadership with specializations in Church Revitalization, Digital Discipleship, Ministry Leadership, Next Generation Ministry, Spiritual Formation, and Strategic Christian Ministry; Master of Arts in Biblical Exposition; Master of Arts in Biblical Languages with specialization in Language Exegesis and Linguistics; Master of Arts in Christian Apologetics; Master of Arts in Sports Chaplaincy; Master of Arts in Biblical Studies; Master of Arts in Christian Ministry; Master of Arts in Global Studies with specializations in Linguistics and Teaching English as a Second Language; Master of Arts in Religion with specializations in Biblical Studies, Christian Apologetics, Church History, Church Ministry in Digital Age, Community Chaplaincy, Discipleship & Church Ministry, Evangelism & Church Planting, Global Studies, Homiletics, Leadership, Next Generation Ministry, Pastoral Counseling, Pastoral Ministries, Theology, and Worship; Master of Arts in Theological Studies; Master of Divinity with specializations in Biblical Studies, Biblical Languages, Christian Apologetics, Christian Leadership & Church Ministries, Christian Ministries, Church History, Church Ministry in Digital Age, Discipleship Ministries, General, Global Studies, Homiletics, Leadership, Pastoral Counseling, Theology, Youth & Family Ministries; Master of Divinity in Professional Chaplaincy with specializations in Healthcare, Military, General, and Community; Master of Religious Education; Doctor of Philosophy in Bible Exposition; Doctor of Philosophy in Theology and Apologetics; Master of Theology with specialization in Biblical Studies, Christian Apologetics, Church History, Global Studies, Homiletics, and Theology. Graduate certificates are available in Bible Exposition, Biblical Studies, Christian Leadership, Christian Ministry, Christian Ministry in the Digital Age, Global Studies, Greek, Hebrew, Theological Studies, and Executive Certificates in Bible Exposition and Christian Leadership. A Post-Graduate Certificate in Chaplaincy and the Graduate of Theology Diploma with specialization in Biblical Studies is also available.

School of Aeronautics. The School of Aviation offers the Bachelor of Science in Aviation; the Bachelor of Science in Aviation Maintenance Management; Bachelor of Science in Aviation Management; Master of Science in Aeronautics with specialization in Aviation Education, Aviation Leadership, and Aviation Safety.

School of Behavioral Sciences. The School of Behavioral Sciences offers undergraduate programs in the Associate of Arts in Psychology; Associate of Arts in Psychology Christian Counseling; Bachelor of Science in Psychology with specializations in Addictions & Recovery, Christian Counseling, Criminal Psychology, Crisis Counseling, Developmental Psychology, Life Coaching, and Military Resilience; the Bachelor of Science in Social Work; and the Bachelor of Science in Human Services. An undergraduate certificate in Military Resilience is also offered. Graduate programs offered are the Doctor of Education in Community Care and Counseling with specializations in Traumatology, Marriage and Family Counseling, and Pastoral Care & Counseling; Master of Arts in Addiction Counseling, Master of Arts in Applied Psychology with specializations in Developmental Psychology and Industrial/Organizational Psychology; Master of Arts in Clinical Mental Health Counseling; Master of Arts in Human Services Counseling with specializations in Dobson Center Family Advocacy, Public Policy & the Future, Dobson Center Marriage & Family Studies, Dobson Center Parenting & Child/Adolescent Development, Addictions & Recovery, Business, Christian Ministries, Criminal Justice, Crisis Response & Trauma, Executive Leadership, General, Health & Wellness, Life Coaching, Marriage & Family, and Military Resilience; Master of Arts in Marriage and Family Therapy; Master of Arts in Pastoral Counseling with specializations in Addictions & Recovery, Community Chaplaincy, Crisis Response & Trauma, Discipleship & Church Ministry, Dobson Center Family

Advocacy, Public Policy & the Future, Dobson Center Marriage & Family Studies, Dobson Center Parenting & Child/Adolescent Development, General, Leadership, Life Coaching, Marriage & Family, Military Resilience, Pastoral Counseling, and Theology; Master of Education in School Counseling; Education Specialist in Community Care & Counseling with specializations in Marriage & Family Counseling, Pastoral Care & Counseling, and Traumatology; Master of Social Work Advanced Generalist; Doctor of Philosophy in Counselor Education & Supervision; Doctor of Philosophy in Psychology with specializations in Industrial/Organizational Psychology, Developmental Psychology, General Psychology, Social Psychology, and Theology. Graduate certificates are offered in Military Resilience, Pastoral Counseling, and Executive Certificate in Psychology.

School of Business. The School of Business offers undergraduate programs in the Associate of Arts in Accounting; Associate of Arts in Business; Associate of Arts in Information Systems; Bachelor of Science in Accounting; Bachelor of Science in Business Administration with specializations in Finance, Financial Planning, Healthcare Management, Automotive Dealership Management, Communications, Data Analytics, Digital Marketing & Advertising, Economics, Entrepreneurship, Green & Sustainable Management, Human Resource Management, International Business, Leadership, Marketing Analytics, Marketing: Sales Management & Professional Selling, Music Business, Project Management, Public Administration, Real Estate, and Strategic Marketing Management; Bachelor of Science in Computer Science Cybersecurity; Bachelor of Science in Healthcare Administration; Bachelor of Science in Informatics; Bachelor of Science in Information Systems with specializations in Accounting Information Systems, Data Networking, Database, and Information Assurance; Bachelor of Science in Information Technology with specializations in Application & Database Development, Data Networking & Security, Gaming Design, and Web & Mobile Programming; Bachelor of Science in Sport Management with specializations in Conference & Event Management, General, Sport Administration, Sports Communications & Public Relations, Sport Outreach, and Sport Venue Management. Undergraduate certificates are offered in Business Administration, Accounting, Application Development, Data Networking, Database, Financial Planning, Healthcare Management, Information Assurance, International Business, Project Management, and Web Development. Graduate programs are offered in the Doctor of Philosophy in Organization & Management with specializations in Entrepreneurship, Executive Coaching, and Leadership, Doctor of Business Administration with specializations in Accounting, Executive Coaching, Finance, Healthcare Management, Human Resources, Information Systems, International Business, Leadership, Marketing, Non-Profit Leadership & Management, Six Sigma, Project Management, Real Estate Development, Strategic Management, Strategic Media & Digital Content, Supply Chain Management & Logistics, and Tourism Management; Doctor of Strategic Leadership; Master of Arts in Executive Leadership; Master of Business Administration with specializations in Accounting, American Legal Studies, Criminal Justice Administration, Economics, Executive Coaching, Finance, Healthcare Management, Human Resources, International Business, International Legal Studies, Leadership, Marketing, Non-Profit Leadership & Management, Six Sigma, Project Management, Public Administration, Public Relations, Real Estate Development, Strategic Management, Strategic Media & Digital Content, Supply Chain Management & Logistics, and Tourism Management; Master of Science in Accounting with specializations in Audit & Financial Reporting, Business, Financial Services, Forensic Accounting, General, Leadership, and Taxation; Master of Science in Cybersecurity; Master of Science in Finance with specializations in Financial Management, General, and Financial Planning; Master of Science in Health Informatics; Master of Science in Healthcare Administration with specializations in Accounting, Finance, Human Resources, Leadership, Marketing, Non-Profit Management, Project Management, Public Administration, Public Relations, Strategic Management, and Supply Chain Management & Logistics; Master of Science in Marketing with specializations in Digital Marketing & Advertising, Project Management, Public Relations, Social Media Management, and Sports Marketing & Media; Master of

Science in Project Management; Master of Science in Sport Management with specializations in Tourism, General, Outdoor Adventure Sport, Sport Administration, and Coaching & Athletic Administration; the Master of Science in Information Systems with specializations in Information Assurance, Technology Management; the Master of Science in Information Technology with specializations in Network Design & Security, and Software Design & Management; and the Master of Nonprofit Management with specializations in Entrepreneurship, Financial Management, Global Studies, Leadership, and Social Media. Graduate certificates are offered in Advanced Certificate in Leadership; Graduate Certificates in General Business, Healthcare Management, Management & Leadership, Marketing, Outdoor Adventure Sport, Sport Management; and Executive Certificates in Business Administration and Strategic Leadership.

School of Communication and the Arts. The School of Communications and the Arts was formerly part of the School of Communication and Creative Arts and has been combined with the School of Visual and Performing Arts. The School of Communication and the Arts offers undergraduate programs in the Bachelor of Science in Strategic Communication with specializations in Social Media Management and Strategic Communications; the Bachelor of Fine Arts in Graphic Design; and the Bachelor of Science in Digital Design with specializations in Character Design, Digital Merchandising, Graphic Design, Illustration Design, Media Design, Photographic Design, and Visual Communication Design. Graduate programs are offered in the Doctor of Philosophy in Communications, Doctor of Philosophy in Strategic Media, Master of Arts in Communications, Master of Arts in Promotion and Video Content, Master of Arts in Strategic Communication, Master of Science in Social Media Management, Master of Arts in Visual Communication Design, and the Master of Fine Arts in Graphic Design. Graduate certificates are offered in the Applied Communication Studies, Communication & Business Administration, Communication for Human Services, Organizational Communication, and Executive Certificate in Communication.

School of Education. The School of Education offers undergraduate programs in the Associate of Arts in Early Childhood Education; Associate of Arts in Education; Bachelor of Education in Business Education 6-12; Bachelor of Education in Elementary Education with specializations in Middle Grades English, Middle Grades Mathematics, Middle Grades Science, Middle Grades Social Science; Bachelor of Education in Elementary Education with Special Education General Curriculum K-6 Add-On; Bachelor of Education in English as a Second Language Education P-12; Bachelor of Education in English Education; Bachelor of Education in Mathematics Education; Bachelor of Education in Middle Education with specializations in English, Math, Science, Social Sciences; Bachelor of Education in Physics Education 6-12 with specialization in Earth Science; Bachelor of Education in Social Studies Education 6-12; Bachelor of Education in Special Education; Bachelor of Science in Early Childhood Education Interdisciplinary Studies; Bachelor of Science in Elementary Education Interdisciplinary Studies; Bachelor of Science in Special Education Interdisciplinary Studies. Undergraduate Certificates are offered in Algebra I Education, Autism Education, Earth Science Education, Journalism Education, Physics Education, and Preschool. Graduate programs offered are the Master of Arts in Teaching with specializations in Elementary Education, Middle Grades Education, and Secondary Education; Master of Arts in Teaching in Special Education with specializations in Adapted Curriculum: Career & Technical Education – Transition & Special Needs; Early Childhood Special Education, General Curriculum, and Special Education General Curriculum; Master of Education with specializations in Administration & Supervision, Math Specialist Endorsement; and Reading Specialist Endorsement; Master of Education in Curriculum & Instruction with specializations in Early Childhood Education, Educational Technology, Elementary Education, English, Foreign Language Education, General Education, Gifted Education, Health & Wellness Education, History, Leadership, Middle Grades, Special Education, Student Services, Gifted Education, Special Education General Curriculum, and Urban Education; Master of Education in Gifted & Special Education with a specialization in Twice Exceptionalities: With Transition & Special Needs; Master of Higher Education with specializations

in Educational Leadership, Instructional Design & Technology, and Student Affairs; Education Specialist in Administration & Supervision with a specialization in Education Leadership; Education Specialist in Curriculum & Instruction with specializations in Elementary Education, Middle Grades Education, Secondary Education, and Special Education; Education Specialist in Educational Leadership; Education Specialist in Higher Education Administration with specializations in Student Affairs; Doctor of Education in Curriculum & Instruction with specializations in Elementary Education, Instructional Design and Technology, Middle Grades Education, Secondary Education, and Special Education; Doctor of Education in Educational Leadership; Doctor of Education in Higher Education Administration with specialization in Educational Leadership, Organizational Leadership, and Student Affairs; Doctor of Philosophy in Advanced Education Studies with specializations in Curriculum & Instruction, Educational Leadership, Instructional Design & Technology, and Special Education; Doctor of Philosophy in Education with specializations in Curriculum & Instruction, Educational Law, Instructional Design & Technology, Organizational Leadership, and Special Education; Doctor of Philosophy in Educational Leadership; Doctor of Philosophy in Higher Education Administration with specializations in Educational Leadership and Student Affairs; Doctor of Education in Administration & Supervision with a specialization in Educational Leadership. Graduate certificates are offered in Autism Education, Career and Technical Education – Transition and Special Needs, Educational Technology and Online Instruction, Gifted Education, Middle Grades, Preschool, School Administration & Supervision, School Leadership, Special Education, and Urban Education. Executive Certificates are offered in Curriculum & Instruction, Higher Education Administration, Instructional Design & Technology, School Administration & Supervision, and Special Education.

School of Engineering. The School of Engineering offers undergraduate programs of study in the Bachelor of Science in Civil Engineering and the Bachelor of Science in Industrial Engineering Technology. Graduate programs of study are offered in the Master of Science in Engineering Management with specializations in Leadership and Project Management.

School of Health Sciences. The School of Health Sciences offers undergraduate programs of study in the Associate of Applied Sciences in Medical Office Assistant, the Bachelor of Science in Health Sciences, and the Bachelor of Science in Respiratory Therapy. Undergraduate certificates of Health Sciences and Medical Office Assistant is also offered. Graduate programs of study are offered in the Master of Arts in Medical Sciences with specializations in Biopsychology, Business Management, Molecular Medicine, and Public Health; Master of Public Health with specializations in Global Health, Health Promotion, and Nutrition; Master of Science in Human Biology; the Master of Science in Human Performance with specializations in Clinical, Fitness & Wellness, Nutrition, and Strength Training & Conditioning; Master of Science in Exercise Science & Wellness with specialization in Fitness & Performance and Nutrition & Wellness; the Master of Science in Nutrition; Doctor of Philosophy in Health Sciences with specializations in Exercise & Sport Science and General. Graduate certificates are offered in Global Health, Health Promotion, and Nutrition.

School of Music. The School of Music offers undergraduate programs of study in the Bachelor of Science in Commercial Music with a specialization in Music Production; and the Bachelor of Science in Worship Studies. An Undergraduate Certificate in Commercial Music is also offered. Graduate programs of study are offered in the Doctor of Worship Studies with specializations in Ethnomusicology, Leadership, and Pastoral Counseling; Doctor of Philosophy in Christian Worship; Doctor of Music Education; Master of Arts in Ethnomusicology; Master of Arts in Music and Worship with specialization in Worship Music Studies; Master of Arts in Music Education with specializations in Music Studies;

Master of Arts in Worship Studies with specialization in African-America Worship, Ethnomusicology, Leadership, Pastoral Counseling, Songwriting, Worship Technology and Worship Techniques. Graduate certificates are offered in Music in World Cultures and Worship Studies.

School of Nursing. The School of Nursing offers undergraduate programs of study in the Bachelor of Science in Nursing for RNs: Post Licensure with a specialization in Global Studies; Bachelor of Science in Nursing for RNs: Post Licensure with specializations in Community Health, Health Policy, Nurse Educator, Nursing Administration, and Nursing Informatics. Graduate programs of study are offered in BSN to MSN for RNs: Post Licensure and Master of Science in Nursing with specializations in Community Health, Health Policy, Nurse Educator, Nursing Administration, and Nursing Informatics; Master of Science in Nursing with specializations in Community Health, Health Policy, Nurse Educator, Nursing Administration, and Nursing Informatics; Master of Science in Nursing and Master of Business Administration; Master of Science in Nursing and Master of Science in Healthcare Administration; Doctor of Nursing Practice with specializations in Family Nurse Practitioner, Psychiatric Mental Health Nurse Practitioner, Nursing Education; and the Doctor of Philosophy in Nursing with a specialization in Nursing Education. Executive Certificates in Clinical Leadership and Nursing Educational Leadership are offered as well as a Post-Graduate Certificate in Psychiatric Mental Health Nurse Practitioner

The Liberty University Online Programs curriculum is structured to encourage undergraduate and graduate degree completion and approximately 98% of the students are working toward a degree. The University believes that Liberty University Online Programs enhances student matriculation and retention by fostering academic and spiritual commitment and a sense of community unique to online and distance education. The University has operated its online and distance education programs for much of its existence, and its internal culture has been long geared to meet the needs of students who desire a Christian-based education but who are unable to attend classes in Lynchburg, Virginia.

The University's commitment to academic excellence through accreditation by the Southern Association of Colleges and Schools Commission on Colleges ("SACSCOC") has created rigorous course development and administration standards that require both online and residential courses to have the same outcome-oriented curriculum. While the online programs afford the flexibility of studying at one's own pace and shorter 8-week classes, academic progress of each student is closely monitored by a staff dedicated to ensuring that students are progressing through each course satisfactorily and to ensure the academic or administrative issues that may be impeding the students' progress are identified and resolved as quickly as possible. All student course work is available 24 hours a day, seven days a week online and a significant amount of the course work is being made available through mobile devices. A 360-degree support network of academic, administrative and spiritual services—from application to graduation—is available online and includes academic advisors, IT helpdesk, career center, library services and writing center, and an online ministry network offering counseling and prayer.

In addition, the University believes that the vibrant residential campus provides Liberty University Online Programs with the academic credibility usually afforded to "bricks and mortar" academic programs. As a large Christian evangelical university with a NCAA Division I athletics program, the University further allows Liberty University Online Programs students to establish a connection and

affinity with the University that may be difficult to re-create solely with an online academic program, as many of the University’s athletic and spiritual activities are available online. Finally, the University encourages degree completion by addressing student cost concerns by providing one of the lowest undergraduate tuition rates of any leading online university in the country with a large student headcount.

The following table provides information on the distribution of Liberty University Online Programs undergraduate, graduate and doctoral students among the colleges and schools for fiscal year 2022:

Schools & Colleges:	Number of Students	Percent¹
College of Applied Studies & Academic Success	1,529	1.3%
College of Arts & Sciences	8,190	7.1%
Helms School of Government	9,672	8.4%
Liberty University School of Law	1,492	1.3%
Rawlings School of Divinity	13,124	11.4%
School of Aeronautics	4,138	3.6%
School of Behavioral Sciences	24,536	21.4%
School of Business	23,991	20.9%
School of Communication & the Arts	2,462	2.2%
School of Education	18,041	15.7%
School of Engineering	647	0.6%
School of Health Sciences	3,901	3.4%
School of Music	1,134	1.0%
School of Nursing	1,929	1.7%

Notes:

1. The numbers in each column may not equal 100% due to rounding.

C. Student Enrollment and Retention

The following table provides resident program headcount information reflecting the total number of full-time and part-time students in resident undergraduate and graduate degree programs for Fall semesters of fiscal years 2018-2022:

Fall Semester:	Resident Program Fall Headcount¹				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Undergraduate	13,785	13,560	13,117	12,688	13,516
Graduate ²	<u>1,764</u>	<u>1,860</u>	<u>1,812</u>	<u>1,832</u>	<u>1,948</u>
Total	15,549	15,420	14,929	14,520	15,464

Notes:

1. Fall semester headers correspond to the fiscal year. For example Fall semester 2021 is for the 2021-22 fiscal year.
2. Includes the graduate students enrolled in the Liberty University College of Osteopathic Medicine, the Liberty University School of Law, and the Rawlings School of Divinity.

The following table provides Liberty University Online Programs annual student headcount information reflecting the total number of full-time and part-time students enrolled in Liberty University Online Programs during each of the past five fiscal years:

Liberty University Online Programs Annual Headcount					
<u>Fiscal Year:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Undergraduate	44,937	46,921	51,179	50,477	50,060
<u>Graduate</u>	<u>40,911</u>	<u>48,382</u>	<u>56,642</u>	<u>63,476</u>	<u>64,726</u>
Total	85,848	95,303	107,821	113,953	114,786

Approximately 39% of the University’s resident student enrollment by annual headcount for the 2021-2022 academic year were Virginia residents; however, the University has resident students from all 50 states, the District of Columbia, and numerous foreign countries.

The University maintains an active student retention program designed to assist the student body in adjusting to life at the University. Although the University believes its efforts are generally successful, students decide to leave the University for different reasons. For the Fall periods 2016-2017 to 2020-2021 resident student retention rates for undergraduate students, graduate students and freshman to sophomore only were as follows:

Resident Undergraduate, Graduate and Freshman Fall-Fall Retention Rates

<u>Fall to Fall Periods</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Freshmen</u>
Fall 2020 to Fall 2021 (FY22)	86.6%	82.4%	85.5%
Fall 2019 to Fall 2020 (FY21)	85.8%	83.6%	85.9%
Fall 2018 to Fall 2019 (FY20)	84.6%	81.1%	86.9%
Fall 2017 to Fall 2018 (FY19)	85.6%	79.4%	86.6%
Fall 2016 to Fall 2017 (FY18)	85.8%	82.4%	87.4%

The six-year graduation rate for full-time, first-time undergraduate students who entered the University in Fall 2015 seeking an bachelor degree was 65%.

D. Student Applications and Academic Quality

Data on the number of residential applications, acceptances, and matriculants at the University for the Fall Semesters of fiscal years 2018-2022 are set forth in the following table:

Applicants, Acceptances, and Matriculants¹

Fiscal Year	2018	2019	2020	2021	2022
Fall Semester	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Freshmen					
Applicants	16,268	13,726	22,323	8,790	9,152
Acceptances	6,354	7,011	7,397	8,550	9,083
Matriculants	3,114	3,143	3,160	3,257	3,599
% of students accepted from applications	39.1%	51.1%	33.1%	97.3%	99.3%
% of students matriculated from students accepted	49.0%	44.8%	42.7%	38.1%	39.7%
Transfer²					
Applicants	5,192	4,040	6,043	2,019	1,988
Acceptances	2,475	1,705	1,848	1,945	1,920
Matriculants	1,019	843	765	1,018	946
% of students accepted from applications	47.7%	42.2%	30.6%	96.3%	96.6%
% of students matriculated from students accepted	41.2%	49.4%	41.4%	52.3%	49.3%
Graduate^{3,4}					
Applicants	3,307	3,744	3,744	1,147	1,060
Acceptances	908	1,002	1,036	1,048	963
Matriculants	406	394	323	412	361
% of students accepted from applications	27.5%	26.8%	27.7%	91.4%	90.8%
% of students matriculated from students accepted	44.7%	39.3%	31.2%	39.3%	37.5%
Law^{3, 5}					
Applicants	254	318	347	518	607
Acceptances	163	187	190	287	351
Matriculants	71	70	84	110	133
% of students accepted from applications	64.2%	58.8%	54.8%	55.4%	57.8%
% of students matriculated from students accepted	43.6%	37.4%	44.2%	38.3%	37.9%
Seminary^{3,6}					
Applicants	558	572	581	171	145
Acceptances	191	205	162	169	142
Matriculants	103	117	54	80	55
% of students accepted from applications	34.2%	35.8%	27.9%	98.8%	97.9%
% of students matriculated from students accepted	53.9%	57.1%	33.3%	47.3%	38.7%
College of Osteopathic Medicine³					
Applicants	2,431	3,166	3,823	3,703	4,421
Acceptances	324	296	308	351	394
Matriculants	156	159	153	160	162
% of students accepted from applications	13.3%	9.3%	8.1%	9.5%	8.9%
% of students matriculated from students accepted	48.1%	53.7%	49.7%	45.6%	41.1%

Notes:

1. In connection with this year's Annual Disclosure (FY22), the University implemented a new methodology to retrieve the number of "Freshman Applicants" in the data retrieved for the FY21 and FY22 Survey Years (that is, the "Fall Semester" "Fall 2020" and "Fall 2021" data). The University's "Official Application," which includes a formal certification that the individual acknowledges and agrees the individual is applying to the University, does not require the students to submit high school transcripts, test scores (where required), or an essay (where required). Applicants submit such information at a later time and admissions decisions are made on a rolling basis. Some individuals who complete the "Official Application" formally withdraw or otherwise never submit the information. The "Fall 2019" data captured the total number of "Official Applications." For the Fall 2020 and Fall 2021 data, the University implemented a methodology to capture only "Official Applications" that received a decision of "accept" or "reject" (the University does not have a waitlist).
2. "Transfer" consists of residential undergraduate transfer applicants. In connection with this year's Annual Disclosure (FY22), the University implemented a change in methodology to retrieve the number of applicants for the Fall 2020 and Fall 2021 data consistent with note 1.
3. "Graduate," "Law," "Seminary," and "College of Osteopathic Medicine" consists of resident applicants to the University's law school, seminary, college of osteopathic medicine, and other graduate programs. In connection with this year's Annual Disclosure (FY22), the University implemented a change in methodology to retrieve the number of applications for the Fall 2020 and Fall 2021 data consistent with note 1. Such change affected only the data reported for the seminary and other graduate programs (i.e., the change did not affect the data reported for the law school of college of osteopathic medicine).
4. Excludes the Liberty University School of Law, graduate programs in the Rawlings School of Divinity, and the Liberty University College of Osteopathic Medicine.
5. Includes Juris Doctorate program in the Liberty University School of Law.
6. Includes all professional and graduate programs in the Rawlings School of Divinity.

The University continues to enroll students of increasingly high academic quality. The Educational Testing Service Scholastic Aptitude Test (SAT) scores, the American College Testing Program (ACT) scores, and the high school grade point averages for first-time incoming resident freshman students for the fall semesters of the past five fiscal years is set forth in the following table:

	College Entrance Examinations				
<u>Fiscal Year</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
ACT Composite	24	24	24	25	25
SAT Average	1145	1125	1150	1149	1155
High School GPA	3.49	3.43	3.53	3.53	3.54

E. Tuition and Fees

Undergraduate tuition and fees for full-time study for the past four academic years and the current academic year are set forth in the following table:

<u>Academic Year</u>	<u>Tuition</u>¹	<u>Fees</u>²	<u>Room and Board</u>³	<u>Total Cost</u>	<u>% Change</u>
2017-2018	22,880	1,060	8,040	31,980	3.76%
2018-2019	23,800	1,110	8,380	33,290	4.10%
2019-2020	23,800	1,110	8,380	33,290	0.00%
2020-2021	23,800	1,110	8,700	33,610	1.00%
2021-2022	23,800	1,110	8,900	33,810	1.00%

Notes:

1. Tuition is based on 18 credit hour maximum per semester. The charge for enrollment in more than 18 credit hours is \$815 per credit hour for the 2021-2022 academic year.
2. Reflects annual activity and health fees.
3. Reflects base room and board. Room and board rates can vary depending on the housing and meal plan selection made by the student.

Professional school tuition for full-time resident students for the past four academic years and the current year is shown in the following table:

Tuition for Full-Time Study at Professional Schools

<u>Academic Year</u>	<u>Law</u>	<u>Seminary</u>	<u>Medical</u>
2017-2018	32,994	5,500	46,000
2018-2019	34,672	5,700	47,000
2019-2020	35,712	5,700	47,000
2020-2021	36,782	5,700	47,000
2021-2022	37,885	5,700	47,000

Undergraduate students enrolled full-time or part-time in programs offered through Liberty University Online Programs pay tuition on a credit hour basis plus applicable fees. For Fall 2021 (Fiscal Year 2022), the rate for full-time and part-time students was \$390 and \$455 per credit hour, respectively. Students in the University's graduate programs (full-time or part-time, resident or online) also pay tuition on a credit hour basis plus applicable fees based on the degree program. For example, the tuition for Fall 2021 (Fiscal Year 2022) for non-seminary master's and doctorate programs ranged from \$545 to \$650 per credit hour. Full-time students enrolled in certain master's programs at the seminary pay tuition at a block rate, plus applicable fees. The block rate for Fall 2021 (Fiscal Year 2022) was \$2,850 for resident students and \$2,750 for online students.

The University expects that tuition, fees, and room and board will increase as the market allows.

F. Financial Aid

The University participates in certain federal and state student financial aid programs and offers certain scholarships funded principally through institutional resources. The various types of aid available to students of the University are summarized as follows:

Federal Student Aid. The federal student aid programs available to students of the University include Pell Grants, Supplemental Educational Opportunity Grants, Iraq and Afghanistan Service Grants, TEACH Grants, Federal Direct Loans, PLUS Loans, and the Work-Study Program. Effective Fall 2010, the University is using the William D. Ford Federal Direct Loan Program for all loans made directly from the U.S. Department of Education as lender.

State Student Aid. Students of the University who are domiciliary residents of the Commonwealth of Virginia may be eligible for state student aid made available through the Tuition Assistance Grant Program, and the Two-Year College Transfer Grant.

Institutional Student Aid. The scholarship programs offered by the university are made available to students with financial need or with abilities in athletics, music and academics, to students whom the University believes are compatible with the general philosophy of the University and to employees of the University and their dependents. A goal of such programs is to attract and retain a student body that will enhance the philosophical purpose of the University.

For the year ended June 30, 2022, financial aid was awarded and paid to approximately 88% of all students totaling approximately \$1.37 billion. Financial aid awards are typically packaged as a combination of federal, state and university-funded loans, grants and scholarships. Awards from institutional sources (non-federal and non-state) equated to approximately 25% of the University's gross tuition and fees revenue for fiscal year 2022. These awards were approximately 23% of the total amount of financial aid distributed in fiscal year 2022.

The total amount of financial aid awarded and paid by the University to students during a fiscal year may exceed the University's total revenues for that fiscal year. This occurs when a portion of the financial aid award is distributed or refunded to students, parents and third parties after the students' direct expenses (such as tuition, fees and on campus room and board) are fully paid. A large portion of these refunds is then used by the students to pay for other educationally related expenses such as travel, books, supplies, rent (for off-campus students) and miscellaneous purchases. For fiscal year 2022, approximately \$436 million was refunded to students, parents or third parties by the University.

The financial assistance provided to the University's students from University and non-University sources for the five award years ended June 30, 2022 is described in the following table:

Financial Aid to Students^{1,2}

<u>Award Year</u>	2018	2019	2020	2021	2022
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University Sources:

Unrestricted Funds	252,580,373	271,213,058	280,117,759	305,229,045	310,859,218
Restricted Funds	<u>497,683</u>	<u>598,357</u>	<u>819,104</u>	<u>992,654</u>	<u>825,328</u>
Total Scholarships	253,078,056	271,811,415	280,936,863	306,221,699	311,684,546

Loans to Students:

Federal Loan Funds	617,229,478	667,089,029	736,161,645	739,958,968	733,061,256
Private Loan Funds	<u>29,433,797</u>	<u>35,870,526</u>	<u>41,062,973</u>	<u>41,349,965</u>	<u>41,750,287</u>
Total Student Loans	646,663,275	702,959,555	777,224,618	781,308,933	774,811,543

Other Funds:

VA Tuition Asst. Grant	16,428,619	16,190,123	17,146,673	16,312,425	16,127,364
PELL Grant	104,330,914	106,978,131	112,024,762	111,129,380	109,159,461
Other	<u>81,854,959</u>	<u>92,076,138</u>	<u>127,520,521</u>	<u>120,395,750</u>	<u>157,830,360</u>
Total Other Funds	<u>202,614,492</u>	<u>215,244,392</u>	<u>256,691,956</u>	<u>247,837,555</u>	<u>283,117,175</u>

Total Financial Aid	<u>1,102,355,823</u>	<u>1,190,015,362</u>	<u>1,314,853,437</u>	<u>1,335,368,187</u>	<u>1,369,613,274</u>
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Notes:

1. The numbers in each column may not equal totals due to rounding.
2. Amounts for financial aid award years include adjustments that may have been made after the end of the applicable fiscal year and therefore are not necessarily the same as amounts recorded for financial statement purposes at June 30 of each year.

The University and its students rely on a substantial amount of support from the federal and state student financial aid assistance programs. If a significant reduction on the level of federal and state assistance were to occur, such reduction could have a material adverse effect on the University and its operations. Amounts received and expended by the University under various federal and state financial aid assistance programs are subject to audit by various federal and state agencies and therefore subject to adjustment. Non-compliance with federal or state requirements relating to student assistance programs could result in the University's loss of eligibility to participate in those programs.

IV. FINANCES

A. Financial Condition

1. Accounting and Financial Statements

The table below provides information derived from the University's audited consolidated statements of financial position and statements of activities for the four years ended June 30, 2018 – 2021, and the audited consolidated statements of financial position and statements of activities for the fiscal year ending June 30, 2022. The financial information below for fiscal years 2022 and 2021 should be read in conjunction with the University's audited consolidated financial statements as of June 30, 2022 set forth in Appendix A. For a description of the University's significant accounting policies, see Note 2 of the Notes to the Consolidated Financial Statements. Except as disclosed herein, since June 30, 2022, there has been no material adverse change in the consolidated financial condition or consolidated changes in net assets of the University.

The University will post on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") at <http://emma.msrb.org>.

Consolidated Statements of Financial Position Post FASB ASU 2016-14
(in thousands)¹
For Fiscal Years Ended June 30,

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets:					
Cash and cash equivalents	\$ 192,183	\$ 272,129	\$ 340,553	\$ 414,330	\$427,167
Accounts receivable, less allowances for doubtful accounts	39,338	67,658	40,540	36,614	51,692
Accounts receivable, sale of television spectrum	0	0	0	-	-
Accounts receivable from related organizations	133	507	271	898	2,367
Notes receivable	1,043	3,007	2,972	5,301	5,010
Contributions receivable, net	0	0	8	417	393
Other prepaid expenses and other assets	42,099	41,370	35,903	29,413	58,934
Investments, at fair value	1,277,754	1,435,245	1,530,514	1,995,764	1,998,681
Investment in joint venture and real estate	0	134,579	155,482	164,903	156,532
Property, plant, and equipment, net	<u>1,262,242</u>	<u>1,175,230</u>	<u>1,267,639</u>	<u>1,288,774</u>	<u>1,301,762</u>
Total assets	<u>2,814,792</u>	<u>3,129,725</u>	<u>3,373,882</u>	<u>3,936,414</u>	<u>4,002,538</u>
Liabilities:					
Accounts Payable:					
Vendors	42,992	25,311	20,490	21,315	24,999
Other	9,135	8,644	7,834	8,905	7,943
Accrued liabilities	15,923	29,158	57,534	52,170	59,779
Accrued interest payable	3,452	3,413	3,537	2,739	2,712
Deferred revenue and deposits	127,815	132,184	145,710	163,833	147,010
Gift annuity payable	28,224	30,343	27,826	27,421	24,894
Liability under split interest agreements	1,297	1,220	1,181	752	785
Other long term liabilities	409	215	2,460	3,346	15,891
Long-term debt	<u>205,053</u>	<u>202,536</u>	<u>197,590</u>	<u>194,994</u>	<u>191,543</u>
Total liabilities	<u>434,300</u>	<u>433,024</u>	<u>464,162</u>	<u>475,475</u>	<u>475,556</u>
Net Assets (FASB ASU 2016-14)					
Without donor restriction	2,360,601	2,672,904	2,886,772	3,429,256	3,493,969
With donor restriction	<u>19,891</u>	<u>23,797</u>	<u>22,948</u>	<u>31,683</u>	<u>33,013</u>
Total net assets	<u>2,380,492</u>	<u>2,696,701</u>	<u>2,909,720</u>	<u>3,460,939</u>	<u>3,526,982</u>
Total liabilities and net assets	<u>\$ 2,814,792</u>	<u>\$ 3,129,725</u>	<u>\$ 3,373,882</u>	<u>\$ 3,936,414</u>	<u>\$4,002,538</u>

Notes:

1. The numbers in each column may not equal totals due to rounding.

2. Summary of Consolidated Financial Statements

Consolidated Statements of Activities Post FASB ASU 2016-14 (in thousands)¹

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Tuition and fees:					
Gross tuition and fees	\$ 948,691	\$ 1,107,638	\$ 1,182,553	\$ 1,276,921	\$ 1,335,116
Institutional scholarships	<u>(229,519)</u>	<u>(277,655)</u>	<u>(293,983)</u>	<u>(316,672)</u>	<u>(333,676)</u>
Tuition and fees, net	\$ 719,172	\$ 829,983	\$ 888,570	\$ 960,249	\$ 1,001,440
Contributions of cash and other financial assets	\$ 22,824	\$ 15,110	\$11,181	10,279	13,005
Contributions of nonfinancial assets	-	-	-	257	727
Grants and contracts	4,028	8,992	5,239	33,474	15,442
Auxiliary services	82,896	89,074	82,673	85,637	95,683
Other sources	67,927	46,389	55,555	63,405	84,151
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 896,847</u>	<u>\$ 989,548</u>	<u>\$1,043,218</u>	<u>\$1,153,301</u>	<u>\$1,210,448</u>
Operating Expenses:					
Instruction	\$ 194,158	\$ 234,922	\$260,500	\$283,121	\$325,355
Academic support	66,651	71,455	75,729	84,712	85,186
Student services	185,755	201,027	227,429	242,942	271,618
Auxiliary services	80,061	82,054	77,565	77,752	82,452
Public services	13,745	13,947	11,507	15,772	18,120
Institutional support	136,553	119,619	148,033	134,055	157,240
Research	<u>1,334</u>	<u>1,481</u>	<u>1,893</u>	<u>1,490</u>	<u>1,657</u>
Total operating expenses	<u>\$ 678,257</u>	<u>\$ 724,505</u>	<u>\$ 802,656</u>	<u>\$ 839,844</u>	<u>\$ 941,628</u>
Changes in net assets from operations	<u>\$ 218,590</u>	<u>\$ 265,043</u>	<u>\$ 240,562</u>	<u>\$ 313,457</u>	<u>\$ 268,820</u>
Non-operating revenue (expense):					
Contribution to endowments	\$ 2,027	\$ 239	\$23	\$133	\$82
Investment income, net	11,572	9,519	12,799	4,443	27,471
Realized and unrealized gains, net	39,575	42,248	(42,166)	232,225	(212,665)
Gain on sale of television spectrum	-	-	-	-	-
Change in split interest agreement	4,718	(840)	1,801	11,531	(8,074)
Impairment of long-lived assets	-	-	-	-	(9,591)
Goodwill impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,570)</u>	<u>-</u>
Changes in net assets from non-operating activities	<u>\$ 57,892</u>	<u>\$ 51,166</u>	<u>\$ (27,543)</u>	<u>\$ 237,762</u>	<u>\$ (202,777)</u>
Changes in net assets	<u>\$ 276,482</u>	<u>\$ 316,209</u>	<u>\$213,019</u>	<u>\$551,219</u>	<u>\$66,043</u>
Net Assets, beginning of year	<u>2,104,010</u>	<u>2,380,492</u>	<u>\$2,696,701</u>	<u>\$2,909,720</u>	<u>\$3,460,939</u>
Net assets, end of year	<u>\$ 2,380,492</u>	<u>\$ 2,696,701</u>	<u>\$2,909,720</u>	<u>\$3,460,939</u>	<u>\$3,526,982</u>

Notes:

- 1 The numbers in each column may not equal totals due to rounding.

3. Indebtedness

At June 30, 2022, the University had outstanding long-term indebtedness of approximately \$193 million consisting of taxable bonds issued in January 2012 by Liberty University ("Series 2012 Bonds"), and taxable bonds issued in December 2019 by Liberty University ("Series 2019 Bonds"). In fiscal year 2011, the University refinanced approximately \$47.8 million of its long-term debt and repaid \$8.1 million in loans under its remaining term notes using a portion of the \$119.7 million in proceeds from the issuance of the Series 2010 Bonds. As part of the debt refinancing, the University closed its \$50.0 million bank credit line. Liens on University property associated with retired debt were released.

The outstanding long-term indebtedness and capital leases of the University as of June 30, 2021 and June 30, 2022 were as follows:

	June 30, 2022	June 30, 2021
	<i>(in thousands)¹</i>	
Series 2012 bonds	\$100,000	\$100,000
Series 2019 bonds	<u>93,410</u>	<u>96,990</u>
Total	\$193,410	\$196,990

Notes:

1. The numbers in each column may not equal totals due to rounding.

Cash paid for interest was \$8.2 million and \$9.1 million for the years ended June 30, 2022 and 2021, respectively. The annual interest payment on the Series 2012 Bonds is \$5.1 million. The annual interest payment on the Series 2019 Bonds is \$3.1 million.

Since June 30, 2015, the University was approved to issue \$150,000,000 in commercial paper in July 2015 and subsequently issued \$85,000,000. As of June 30, 2022, the University had no outstanding commercial paper.

4. Net Assets

The following table shows the net assets available to the University, classified as without donor restrictions, perpetual endowments, purpose restricted net assets, and time restricted net assets, for the three fiscal years ended June 30, 2020-2022. Liberty University, Inc. elected to early adopt FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit-Entities* in 2018.

	Net Assets <i>(in thousands)^{1, 2}</i>		
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Without Donor Restrictions:			
Quasi endowment	\$1,697,867	\$2,136,296	\$2,151,153
Undesignated	<u>1,188,905</u>	<u>1,292,960</u>	<u>1,342,816</u>
Total	<u>2,886,772</u>	<u>3,429,256</u>	<u>3,493,969</u>
Perpetual Endowments³:			
Scholarships	12,111	12,254	12,328
General University	3,557	3,558	3,557
Seminary	43	43	43
Endowment requiring earnings added	<u>162</u>	<u>199</u>	<u>169</u>
Total	<u>15,873</u>	<u>16,054</u>	<u>16,098</u>
Purpose Restricted Net Assets³:			
Scholarships	6,878	9,123	7,650
Athletics	424	1,333	2,646
Capital projects	252	761	2,256
Benevolence and missions and other	802	4,494	4,859
Reserves on net assets (underwater)	<u>(1,400)</u>	<u>(772)</u>	<u>(859)</u>
Total	<u>6,956</u>	<u>14,939</u>	<u>16,552</u>
Time Restricted Net Assets³:			
Split interest agreements	<u>119</u>	<u>689</u>	<u>363</u>
Total	<u>119</u>	<u>689</u>	<u>363</u>
Total net assets with donor restrictions	<u>\$22,948</u>	<u>\$31,682</u>	<u>\$ 33,013</u>

Notes:

2. The numbers in each column may not equal totals due to rounding.
3. The amounts included as net assets with donor restrictions

B. Contributions and Gifts

Net contributions and gifts to the university for the five fiscal years ended June 30, 2017-2021 are set forth in the following table. Liberty University, Inc. elected to early adopt FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit-Entities* in 2018.

Contributions, Net, and Donated Gifts in Kind (in thousands)¹

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Without donor designation	\$ 21,386	\$ 11,247	\$ 9,844	\$ 4,588	\$ 8,165
With donor designation	1,438	3,863	1,337	5,948	5,567
Contributions to endowment	<u>2,027</u>	<u>239</u>	<u>23</u>	<u>133</u>	<u>82</u>
Total Contributions, Net, and Donated Gifts in Kind	\$ 24,851	\$ 15,349	\$ 11,204	\$ 10,669	\$13,814

Notes:

1. The numbers in each column may not equal totals due to rounding.

For the year ended June 30, 2020, approximately 28% of contributions were made by two major donors. For the year ended June 30, 2019, approximately 33% of contributions were made by one major donor. This information is no longer disclosed within the University's audited financial statements and will not be updated going forward.

C. Investments

On June 30, 2011, the Board of Trustees of Liberty University and the President's Office adopted an Investment Policy Statement (IPS) declaring that the fundamental objective of the Board and the President is to strengthen Liberty's financial position in order to fulfill its primary function as an educational institution. Specifically, the ultimate goal is to provide a framework for the continuation of core University operations in the event of a major downturn while maintaining essential planned capital projects. The IPS will provide a structure that will allow for sufficient flexibility in the management process to capture investment opportunities as they may occur, while setting reasonable parameters to provide prudence and care in the execution of the investment program. The Executive Committee will direct any drawdown of Endowment funds.

Beginning fiscal year ended June 30, 2022, only the Board of Trustees has the authority to designate net assets for quasi endowment from other net assets without donor restrictions. Also beginning in fiscal year 2022, the Board of Trustees must approve all withdrawals from the endowment.

As of June 30, 2022, the University's investment plus cash and cash equivalents totaled approximately \$2.4 billion and investments were diversified among a variety of asset classes as set forth in the table below:

Asset Allocation (in thousands)		
<u>Investment</u>	<u>Market Value at June 30, 2022</u>	<u>Market Value at June 30, 2021</u>
Investment Portfolio: ¹		
Cash and cash equivalents ²	\$340,842	\$152,088
Publicly traded equities	563,607	735,790
Traditional fixed income	718,861	766,740
Hedge funds	196,405	200,723
Private equity	44,312	49,129
Commodity/other alternatives	134,654	91,294
Total	\$1,998,681	\$1,995,764
 Cash and cash equivalents	 427,167	 414,330
Total	\$2,425,848	\$2,410,094

The University maintains cash balances at several financial institutions. Total cash balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for interest bearing accounts. At June 30, 2022 and 2021, the University had uninsured cash and cash equivalents balances totaling approximately \$100.1 and \$91.8 million, respectively. The University minimizes risk by periodically evaluating the stability of the financial institutions.

Notes:

1. Investments are recorded at fair value based on quoted market prices or estimated fair value pursuant to ASC 820.

2. Cash equivalents utilized within a managed portfolio are accounted for as investments.
 3. The numbers in each column may not equal totals due to rounding.
- The market value columns include the University's ownership interest in certain alternative investments. As a practical expedient, the University uses its ownership interest in the market value to determine the fair value of all alternative investments that do not have a readily determinable fair value and have financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

D. Endowment Assets

The university's endowment includes both donor-restricted endowment funds and quasi-endowment funds. While quasi-endowment assets can be utilized by the University, if necessary, for operating expenditures at the discretion of the Board of Trustees, the assets contributed to the University as donor-restricted endowments generally cannot be so utilized.

The market values of the University's endowment assets for the five years ending June 30, 2017-2021 are summarized below. Liberty University, Inc. elected to early adopt FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit-Entities* in 2019.

	Endowed Assets (in thousands)				
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Without Donor Restrictions	\$ 1,416,485	\$ 1,570,529	\$ 1,697,867	\$ 2,136,296	\$2,151,153
With Donor Restrictions	<u>16,479</u>	<u>17,390</u>	<u>16,596</u>	<u>20,303</u>	<u>18,294</u>
Total	<u>\$ 1,432,964</u>	<u>\$ 1,587,919</u>	<u>\$ 1,714,463</u>	<u>\$ 2,156,599</u>	<u>\$ 2,169,447</u>

**APPENDIX A: Audited Consolidated Financial Statements for Fiscal Year
Ending June 30, 2022**



Liberty University, Inc.

Consolidated Financial Statements and Supplementary Information Years Ended June 30, 2022 and 2021

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Liberty University, Inc.

Consolidated Financial Statements and Supplementary Information
Years Ended June 30, 2022 and 2021

Liberty University, Inc.

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Tel: 919-754-9370
Fax: 919-754-9369
www.bdo.com

421 Fayetteville Street
Suite 300
Raleigh, NC 27601

Independent Auditor's Report

To the Board of Trustees
Liberty University, Inc.
Lynchburg, VA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Liberty University, Inc. and its subsidiaries (the "University"), which comprise the consolidated statement of financial position as of June 30, 2022 and 2021, and the related consolidated 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 the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 the University's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Title IV Strength Factor Score and Schedules of Financial Position - Excluding Subsidiaries are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial



statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

BDO USA, LLP

November 18, 2022

Consolidated Financial Statements

Liberty University, Inc.

Consolidated Statements of Financial Position

June 30,	2022	2021
Asset		
Cash and cash equivalents	\$ 427,167,267	\$ 414,330,189
Accounts receivable, less allowance for doubtful accounts of \$7,534,627 and \$6,531,684 as of June 30, 2022 and 2021, respectively	51,692,290	36,613,529
Amounts receivable from related parties	2,366,928	897,860
Notes receivable, less allowance for bad debt of \$32,539 and \$315,954 as of June 30, 2022 and 2021, respectively	5,009,867	5,301,138
Contributions receivable, net	392,741	416,840
Prepaid expenses and other assets	58,934,561	29,412,722
Investments, at fair value	1,998,680,888	1,995,763,951
Investments in real estate	156,531,598	164,903,165
Property, plant, and equipment, net	1,301,761,695	1,288,774,178
Total Assets	\$ 4,002,537,835	\$ 3,936,413,572
Liabilities and Net Assets		
Liabilities		
Accounts payable - vendors	\$ 24,998,644	\$ 21,315,258
Accounts payable - other	7,942,974	8,904,468
Accrued liabilities	59,779,209	52,169,724
Accrued interest payable	2,712,388	2,739,190
Deferred revenue and deposits	147,010,232	163,833,426
Gift annuities payable	24,893,937	27,420,466
Liability under split interest agreements	784,693	751,930
Other long-term liabilities	15,891,212	3,346,245
Long-term debt, net	191,542,554	194,994,010
Total Liabilities	475,555,843	475,474,717
Net Assets		
Without donor restrictions		
Quasi endowment	2,151,153,066	2,136,296,121
Undesignated	1,342,815,626	1,292,960,275
Total net assets without donor restrictions	3,493,968,692	3,429,256,396
With donor restrictions		
Perpetual endowments	16,097,768	16,054,181
Purpose restricted	16,552,034	14,939,235
Time restricted	363,498	689,043
Total net assets with donor restrictions	33,013,300	31,682,459
Total Net Assets	3,526,981,992	3,460,938,855
Total Liabilities and Net Assets	\$ 4,002,537,835	\$ 3,936,413,572

See notes of accompanying consolidated financial statements.

Liberty University, Inc.
Consolidated Statements of Activities

Years Ended June 30,	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue						
Tuition and fees, less institutional scholarships of \$333,676,018 and \$316,672,358, respectively	\$ 1,001,440,138	\$ -	\$ 1,001,440,138	\$ 960,248,884	\$ -	\$ 960,248,884
Contributions of cash and other financial assets	7,437,902	5,567,334	13,005,236	4,331,182	5,948,233	10,279,415
Contributions of nonfinancial assets	726,661	-	726,661	256,862	-	256,862
Grants and contracts	15,441,954	-	15,441,954	33,472,989	500	33,473,489
Auxiliary services	95,683,086	-	95,683,086	85,637,298	-	85,637,298
Other sources	84,112,499	38,953	84,151,452	63,365,921	38,564	63,404,485
Net assets released from restrictions	2,095,186	(2,095,186)	-	1,667,232	(1,667,232)	-
Total operating revenue	1,206,937,426	3,511,101	1,210,448,527	1,148,980,368	4,320,065	1,153,300,433
Operating Expense						
Instruction	325,354,620	-	325,354,620	283,121,093	-	283,121,093
Academic support	85,185,660	-	85,185,660	84,711,836	-	84,711,836
Student services	271,618,365	-	271,618,365	242,942,435	-	242,942,435
Auxiliary services	82,452,416	-	82,452,416	77,751,576	-	77,751,576
Public services	18,120,240	-	18,120,240	15,772,374	-	15,772,374
Research	1,657,183	-	1,657,183	1,489,594	-	1,489,594
Institutional support	157,239,796	-	157,239,796	134,054,795	-	134,054,795
Total operating expense	941,628,280	-	941,628,280	839,843,703	-	839,843,703
Changes in net assets from operations	265,309,146	3,511,101	268,820,247	309,136,665	4,320,065	313,456,730
Nonoperating Revenue (Expense)						
Contributions to endowments	-	82,052	82,052	-	133,450	133,450
Investment income (loss), net	26,776,542	693,973	27,470,515	4,546,479	(103,888)	4,442,591
Realized and unrealized (losses) gains, net	(210,033,803)	(2,630,740)	(212,664,543)	228,410,264	3,814,553	232,224,817
Change in split interest agreements	(7,748,792)	(325,545)	(8,074,337)	10,961,353	570,053	11,531,406
Impairment of long-lived assets	(9,590,797)	-	(9,590,797)	-	-	-
Goodwill impairment	-	-	-	(10,570,036)	-	(10,570,036)
Changes in net assets from nonoperating activities	(200,596,850)	(2,180,260)	(202,777,110)	233,348,060	4,414,168	237,762,228
Changes in net assets	64,712,296	1,330,841	66,043,137	542,484,725	8,734,233	551,218,958
Net Assets, beginning of year	3,429,256,396	31,682,459	3,460,938,855	2,886,771,671	22,948,226	2,909,719,897
Net Assets, end of year	\$ 3,493,968,692	\$ 33,013,300	\$ 3,526,981,992	\$ 3,429,256,396	\$ 31,682,459	\$ 3,460,938,855

See notes of accompanying consolidated financial statements.

Liberty University, Inc.

Consolidated Statements of Cash Flows

<i>Years Ended June 30,</i>	2022	2021
Cash Flows From Operating Activities		
Changes in net assets	\$ 66,043,137	\$ 551,218,958
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation of property, plant and equipment	61,325,560	61,745,703
Impairment of long-lived assets	9,590,797	-
Amortization of debt issuance costs and discount on long-term debt	128,544	124,070
Change in value of split-interest agreements	8,074,337	(11,531,406)
Bad debt expense on accounts receivable	6,872,753	10,260,448
Donations of property, plant and equipment	(706,308)	(222,583)
Realized and unrealized (gains) losses on investments, net	212,664,543	(232,224,817)
Loss on disposal of property, plant, and equipment	589,429	324,463
Contributions to endowment	(82,052)	(133,450)
Goodwill impairment	-	10,570,036
Net (increase) decrease in operating assets:		
Accounts receivable	(21,951,514)	(6,334,431)
Amounts receivable from related parties	(1,469,068)	(626,610)
Contributions receivable	24,099	(409,340)
Prepaid expenses and other assets	(29,521,839)	(4,079,500)
Net (decrease) increase in operating liabilities:		
Accounts payable - vendors and other	2,721,892	1,895,702
Accrued liabilities	7,609,485	(5,363,693)
Accrued interest payable	(26,802)	(797,370)
Lease liability	12,668,691	959,941
Deferred revenue and deposits	(16,823,194)	18,123,583
Gift annuities payable	(1,873,290)	309,767
Liability under split interest agreements	57,251	(401,592)
Net cash provided by operating activities	315,916,451	393,407,879
Cash Flows From Investing Activities		
Proceeds from notes receivable	334,968	129,812
Issuances of notes receivable	(43,696)	(2,458,870)
Purchases of property, plant, and equipment	(76,079,885)	(95,170,760)
Proceeds from sale of property, plant, and equipment	664,456	2,766,463
Purchases of investments	(789,036,645)	(1,047,735,932)
Proceeds from sales and maturities of investments	565,380,828	826,242,495
Net cash used by investing activities	(298,779,974)	(316,226,792)
Cash Flows From Financing Activities		
Payments on gift annuities	(653,239)	(715,555)
Payments on split interest agreements	(24,488)	(27,851)
Imputed interest on finance leases	(123,724)	(73,987)
Contributions to endowment	82,052	133,450
Payments on long-term debt	(3,580,000)	(2,720,000)
Net cash used by financing activities	(4,299,399)	(3,403,943)
Net increase in cash and cash equivalents	12,837,078	73,777,144
Cash and cash equivalents at beginning of year	414,330,189	340,553,045
Cash and cash equivalents at end of year	\$ 427,167,267	\$ 414,330,189
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 8,217,570	\$ 9,055,668

See notes of accompanying consolidated financial statements.

Liberty University, Inc.

Notes to Consolidated Financial Statements

1. Business and Basis of Presentation

Business

Liberty University, Inc. (the “University”) is a nonprofit institution of higher education, established in 1971. The University is a Christian academic community in the tradition of evangelical institutions of higher education, with the primary mission of providing quality collegiate education. The University provides associate, baccalaureate, master, and doctoral programs for both liberal arts and professional disciplines in residential and off-campus formats. These programs seek to transmit and expand knowledge, as well as provide opportunities for research and service. The University is accredited by the Southern Association of Colleges and Schools. The affairs of the University are governed by the Board of Trustees.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). In accordance with this method of accounting, revenue is recognized in the period in which it is earned, and expenses are recognized in the period in which they are incurred.

Principles of Consolidation

The consolidated financial statements include the accounts of Liberty University, Inc. and its majority- and wholly-owned subsidiaries:

- 747 River Road, LLC - real estate property
- Airport Plaza Holdings, LLC - retail shopping centers, classified as quasi-endowments
- Burton Realty, LLCs - 6 LLC real-estate holdings, classified as quasi-endowments
- C&C Aviation, LLC - provides charter air service to the University
- CFA-Wards Road, LLC - created to hold Chick-fil-a parcel on Wards Road (currently inactive)
- Collaborative Health Partners, LLC - holding company for MD Resource, LLC, and Legacy CHP of Virginia, LLC, which provide back-office services to medical practices
- Crossroads Investments, LLC - real-estate holdings, classified as quasi-endowments
- Currus Holdings, LLC - investment holding company, classified as quasi endowments
- Eleanor’s Bench, LLC - Cinematic Arts motion picture
- Freedom Aviation, Inc. - C-corporation that provides charter air and repair and maintenance services to the public
- Ivy Hill Recreation, LLC - lake donated for various student activities (property sold April 16, 2019) - classified as quasi-endowments
- Jerry Falwell Ministries, LLC - created to accept donations
- Liberty Christian Academy, Inc. - a Christian, co-educational school for grades K-12, and Early Learning Center for ages 2-4
- Liberty Motion Picture, LLC - provides opportunities for students and former students to produce motion pictures
- Liberty Mountain Capital, Inc. - C-corporation - investment purposes, classified as quasi-endowments
- Liberty Mountain Medical Group, LLC - medical clinic
- Liberty Ridge, LLC - created to hold and manage real estate rental property
- Liberty Village Community Association, Inc - Homeowner’s Association for Liberty Ridge

Liberty University, Inc.

Notes to Consolidated Financial Statements

- LU Candler's Mountain Road Holdings, LLC - holds land and building
- LU Candler's Station Holdings, LLC - retail shopping center, classified as quasi-endowments
- LU Plaza Holdings, LLC - retail shopping centers, classified as quasi-endowments
- LU Wards Road Center Holdings, LLC - retail shopping center, classified as quasi endowments
- LUCOM Graduate Medical Education Services, LLC - created to support LUCOM (currently inactive)
- Morning Star Broadcasting, LLC - provides broadcasting of Liberty University and other athletics, weather, news to the Lynchburg community
- Philanthropy Lynchburg, LLC - retail franchise
- Red Tie Music, LLC - produces, publishes, and distributes music
- Richmond Highway Properties (9 LLCs) - Owns several real estate parcels, classified as quasi endowments
- River Ridge Mall JV, LLC - retail shopping mall, classified as quasi endowments
- Vertical Ventures, LLC - telecommunication assets

All significant intercompany transactions and balances have been eliminated in the consolidation.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The University considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents utilized within a managed portfolio are accounted for as investments. All depository accounts of the University are with institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). Certain accounts are required to be segregated. Included in cash and cash equivalents are short term treasury bills in the amount of \$331,046,899 and \$323,827,805 as of June 30, 2022 and 2021, respectively. Although not insured by the FDIC, these treasury bills are backed by the U.S. government. At times during the year, the University maintains balances in financial institutions which exceed the federally insured limits. The University minimizes this risk by periodically evaluating the stability of the financial institutions. Amounts reported as cash and cash equivalents which exceeded the FDIC limits were \$100,078,844 and \$91,818,393 at June 30, 2022 and 2021, respectively.

Liquidity and Availability

As part of its liquidity management, the University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily operating funds in short-term investments such as treasury bills, certificates of deposit, and money market funds.

The following schedule explains the University's financial assets available to meet cash needs for general expenditures within one year. The financial assets were derived from the total assets on the consolidated statements of financial position by excluding the assets that are unavailable for general expenditures in the next 12 months. The University seeks to maintain sufficient liquid assets to cover one quarter of annual operating and capital expenditures.

Liberty University, Inc.

Notes to Consolidated Financial Statements

<i>June 30,</i>	2022
Cash and cash equivalents	\$ 427,167,267
Accounts and notes receivable, net	56,702,157
Investments	1,998,680,888
Less: Non-current portion of note receivable	(4,702,901)
Less: Investments designated for quasi endowment	(1,921,316,634)
Less: Investments designated for other purposes	(77,056,592)
Less: Unfunded commitments	(13,615,643)
Add: Endowment spending-rate distributions and appropriations	522,521
Financial assets available to meet cash needs for general expenditures within one year of June 30, 2022	
	\$ 466,381,063

<i>June 30,</i>	2021
Cash and cash equivalents	\$ 414,330,189
Accounts and notes receivable, net	42,638,370
Investments	1,995,763,951
Less: Non-current portion of note receivable	(5,816,208)
Less: Investments designated for quasi endowment	(1,903,939,464)
Less: Investments designated for other purposes	(91,434,255)
Less: Unfunded commitments	(24,593,883)
Add: Endowment spending-rate distributions and appropriations	413,575
Financial assets available to meet cash needs for general expenditures within one year of June 30, 2021	
	\$ 427,362,275

Accounts Receivable

Accounts receivable represents the amount receivable for tuition and other student fees and expenses, trade accounts receivable, and investment property rent and income receivable. The University provides for uncollectible accounts annually based on total write-offs from the preceding three years. Bad debt totaled \$7,442,214 and \$10,260,448 for the years ended June 30, 2022 and 2021, respectively. The University's allowance is calculated based on the average percentage of revenue that is written-off per payor type. This methodology follows Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASC 606"). When accounts from prior fiscal years are deemed uncollectible, or an accounts receivable balance for the current fiscal year is greater than the associated revenue, they are charged against the allowance for doubtful accounts through bad debt expense. ASC 606 indicates that revenue presented on the statements of activities should only reflect the transaction price, or amount reasonably expected to be collected. As a result, the portion of current year tuition and fees not expected to be collected reduces revenue instead of increasing bad debt expense.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Contributions Receivable and Contributions Revenue

Contributions, including unconditional promises to give, are recognized as revenue by the University in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions of works of art, historical treasures, and similar assets held as part of collections are not recognized or capitalized. Horses and aircraft are valued upon an appraisal performed by an independent party. Furniture and equipment are valued either upon the invoiced amount reflective of fair market value, or upon an appraisal from an independent party. Land is based on the fair market value of the proceeds from the sale of land. Other assets are valued using the most readily available estimated value.

Prepaid Expenses and Other Assets

Prepaid expenses primarily consist of insurance, dues, subscriptions, and other expenditures that are amortized over their useful lives. Other assets include right-of-use assets, inventories, vendor deposits, and intangible assets.

Investments

Investments are recorded at estimated fair value. The fair values of investments are determined based on quoted market prices or estimated fair values. Net investment income/(loss) is reported in the accompanying consolidated statements of activities and consists of interest income, dividend income, and realized and unrealized gains and losses less external and direct internal investment expenses.

The University's investment strategy incorporates certain financial instruments that involve, to varying degrees, elements of market risk and credit risk. Management does not anticipate that losses resulting from market or credit risks would materially affect the financial position of the University.

Investments in Real Estate

The University's investments in real estate consist of land and buildings donated from various individuals or purchased by the University for investment purposes. The University holds investments in real estate at historical cost less depreciation. These investments are analyzed for impairment each year based on current market conditions.

Property, Plant and Equipment

Property, plant and equipment consisting of land and land improvements, buildings, and furniture and equipment are stated at cost at the date of acquisition or at fair value at the date of the gift, less accumulated depreciation and amortization. Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of the assets, which range from 3 years for furniture and equipment up to 60 years for certain buildings. Property and equipment held under capital leases are amortized straight-line over the shorter of the lease term or estimated useful life of the asset. Interest on outstanding debt is capitalized based on the balance of cumulative payments made on construction in progress until the specified assets are ready for their intended use. Capitalized interest is amortized over the useful life of the related asset.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Deferred Revenue and Deposits

Student deposits consist primarily of student payments received for University summer and fall sessions received during the current year. These payments are designated to be used in future periods and will be recognized as revenue within one year.

Net Assets

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

- Without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions. During the year ended June 30, 2020, the University's Board of Trustees authorized the President and Senior Vice President of Finance and Investment Management to designate net assets for quasi endowment from other net assets without donor restrictions. Beginning fiscal year ended June 30, 2021, only the Board of Trustees has this authority.
- With donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or by purpose specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions and these restrictions are not met within the current reporting period. Expenses are reported as decreases in net assets without donor restrictions. Expirations and releases of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions (see Note 12). Donor restrictions on gifts to acquire long-lived assets are considered met in the period the assets are acquired or placed in service.

Methods Used for Allocation of Expenses to Programs and Supporting Services

The University allocates expenses on a functional basis to its various programs and supporting services. The accompanying consolidated financial statements report certain categories of expenses that are attributable to one or more program(s) or supporting service(s) of the University. These expenses include utilities and maintenance, depreciation, interest, and information technology. Utilities and maintenance, depreciation, and interest are allocated based on square footage. Information technology is allocated based on estimates of time and effort and is reported in the Compensation and benefits natural classification within the Analysis of Expense by Functional and Natural Categories as discussed in Note 4.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Revenue and Expense Classifications

The University classifies its revenues and expenses as operating or non-operating in the accompanying consolidated statements of activities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principle ongoing operations. Operating revenues include activities such as student tuition and fees, contributions to University operations or capital projects, certain educational grants and contracts for services, sales and services of auxiliary enterprises, and gains and losses on sale of operating assets. Operating expenses are all expense transactions incurred other than those related to investing activities. Non-operating revenues and expenses include transactions not related to the principle operations of the University such as endowed gifts, investment income and expenses, gains and losses on sale of non-operating assets, and changes in split interest agreements.

Income Taxes

The Internal Revenue Service has ruled that the University qualifies under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not generally subject to income taxes under present tax laws. Management believes that any income tax liability resulting from unrelated business income for the periods ended June 30, 2022 and 2021 would not have a significant impact on the University's results of activities. Certain subsidiaries of the University are taxed as separate entities. The impact of taxes from taxable entities is not material to the accompanying consolidated financial statements and therefore such information has not been itemized herein.

Concentration of Credit Risk

Financial instruments that potentially subject the University to a concentration of credit risk consist of interest-bearing transaction accounts and accounts receivable. The University places its interest-bearing transaction accounts with high credit quality financial institutions. Student receivables are limited in risk due to the large number of students, those who pay in advance, and those who receive grants and loans to cover tuition and related expenses.

Advertising Expenses

The University expenses advertising costs as incurred. Advertising expense totaled \$20,856,281 and \$17,353,462 for the years ended June 30, 2022 and 2021, respectively.

Use of Estimates

The University has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with U.S. GAAP. Actual results could differ from those estimates and assumptions.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (“ASU 2020-07”) to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. Under the standard, contributed nonfinancial assets will be presented as a separate line in the statement of activities apart from contributions of cash and other financial assets and specific disclosures will be required regarding the contributed nonfinancial assets. The effective date for this standard is for fiscal years beginning after June 15, 2021. During the year ended June 30, 2022, the University has retrospectively applied ASU 2020-07, disclosing contributions of nonfinancial assets separate from cash and financial assets, and provides qualitative information about these contributions of nonfinancial assets within the Note 19 to the consolidated financial statements.

Reclassifications

Certain items in the 2021 consolidated financial statements and notes have been reclassified to conform to the 2022 presentation. Such reclassifications had no impact on previously reported changes in net assets or net asset balances.

3. Revenue

The University measures revenue from contracts with customers based on the consideration specified in the contract and recognizes revenue as a result of satisfying its promise to transfer goods or services in a contract with a customer using the following general revenue recognition five-step model: (1) identify the contract; (2) identify performance obligations; (3) determine transaction price; (4) allocate transaction price; (5) recognize revenue.

Disaggregation of Revenue from Contracts with Customers

ASC 606 requires that entities disclose disaggregated revenue information in categories (such as type of good or service, geography, market, type of contract, etc.) that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. ASC 606 explains that the extent to which an entity’s revenue is disaggregated depends on the facts and circumstances that pertain to the entity’s contracts with customers and that some entities may need to use more than one type of category to meet with the objective for disaggregating revenue.

Liberty University, Inc.

Notes to Consolidated Financial Statements

The University's disaggregated tuition and fees and auxiliary services revenues consisted of the following:

<i>Years Ended June 30,</i>	2022	2021
Liberty University Online	\$ 913,838,952	\$ 883,439,022
Residential	380,676,274	355,573,527
LUOA	40,600,930	37,908,693
Tuition and fees, gross	\$ 1,335,116,156	\$ 1,276,921,242
Less: Institutional scholarships	(333,676,018)	(316,672,358)
Tuition and fees, net	\$ 1,001,440,138	\$ 960,248,884

<i>Years Ended June 30,</i>	2022	2021
Student housing	\$ 54,452,008	\$ 49,940,247
Food services	37,960,117	33,923,944
Retail operations and other auxiliary services	3,270,961	1,773,107
Auxiliary services revenue	\$ 95,683,086	\$ 85,637,298

Judgements

The University earns revenue primarily through instruction. The University provides instruction to students residually, on its Lynchburg, Virginia campus, and online to students around the world. The University serves both domestic and international students. The University recognizes this revenue per day based on the start and end dates for each individual course. In addition to instruction, the University also earns revenue through auxiliary services and other sources. These sources of revenue can be disaggregated by whether there is a contract with a student or non-student, or if there is no contract. The University recognizes non-student contracts based on the date of the event or when the service is provided.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account under ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The University does not capitalize contract costs.

The performance obligations related to contracts with students involves providing instruction, housing and dining (if applicable), and access to the University's facilities and services throughout the contract term. As a result, the performance obligation is satisfied over time ratably throughout each contract's applicable period.

The University enters into contracts that include various combinations of services, which are generally capable of being distinct and are accounted for as separate performance obligations.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Revenue is recognized in an amount that reflects the consideration the University expects to receive in exchange for its services. Arrangements may include variable consideration in the form of tuition discounts, scholarships, or institutional aid. For any such arrangements, the transaction price only includes tuition and fees net of the awarded discounts or institutional aid. Refunds and withdrawals have been deemed immaterial.

Contract Payment Terms

Before the beginning of each contract term, students are required to complete Financial Check-in (“FCI”). During this process, they are presented with the total amount that is due from them for the upcoming period. This amount is due in full upon completion of FCI when they electronically sign their contract. However, students may opt-in to a payment plan to delay paying portions of their tuition. The University does not consider the payment plan participation fees for this option to represent a significant financing component because payments are due within 120 days.

Revenue recognition

The University recognizes revenue from contracts with students over the term or sub-term during which their courses are offered. Each course has a set beginning and ending date. The University recognizes revenue over time based on the number of days that have elapsed for each course.

4. Analysis of Expense by Functional and Natural Categories

Expenses by functional and natural classifications are as follows:

<i>Year Ended June 30, 2022</i>	Academic Instruction and Student Services	Institutional Support	Total
Compensation and benefits	\$ 453,684,352	\$ 84,408,899	\$ 538,093,251
Utilities, maintenance, insurance, taxes	13,515,232	17,168,683	30,683,915
Supplies, services, travel, and other	258,877,343	44,126,070	303,003,413
Depreciation	50,295,461	11,030,099	61,325,560
Interest expense	8,016,096	506,045	8,522,141
Total Functional Expenses	\$ 784,388,484	\$ 157,239,796	\$ 941,628,280

Liberty University, Inc.

Notes to Consolidated Financial Statements

<i>Year Ended June 30, 2021</i>	Academic Instruction and Student Services	Institutional Support	Total
Compensation and benefits	\$ 401,099,004	\$ 72,011,162	\$ 473,110,166
Utilities, maintenance and insurance, taxes	12,029,125	10,373,033	22,402,158
Supplies, services, travel, and other	235,705,882	40,853,361	276,559,243
Depreciation	51,322,058	10,423,645	61,745,703
Interest expense	5,632,839	393,594	6,026,433
Total Functional Expense	\$ 705,788,908	\$ 134,054,795	\$ 839,843,703

5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. The framework for measuring fair value under the guidance is based on a fair value hierarchy that distinguishes between observable inputs (i.e., inputs that are based on market data obtained from independent sources) and unobservable inputs (i.e., inputs that require the University to make its own assumptions about market participant assumptions because little or no market data exists). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

Liberty University, Inc.

Notes to Consolidated Financial Statements

Mutual funds and common stocks are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income securities are valued at exchange close price or, if not available, last sale price or average bid/ask. Real estate is recorded at the appraised value or depreciated cost, which approximates fair value. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. All assets have been valued using a market approach, except for Level 3 assets. For Level 3 assets, the University's management, with the help of its investment committee and a third-party investment advisory firm, determine fair value measurement valuation policies and procedures. The carrying amount of Level 3 investments approximate fair value as of June 30, 2022 and 2021. There were no changes in the valuation methodology during the year ended June 30, 2022.

	Fair Value at June 30, 2022				
	Level 1	Level 2	Level 3	NAV ¹	Total
Assets:					
Cash and cash equivalents	\$ 332,153,274	\$ 8,688,979	\$ -	\$ -	\$ 340,842,253
Publicly traded equities	371,928,872	-	-	191,678,551	563,607,423
Traditional fixed income	31,356,676	165,508,301	-	521,995,608	718,860,585
Hedge funds	666,834	-	-	195,737,734	196,404,568
Private equity	-	-	5,654,399	38,657,857	44,312,256
Commodities/other alternatives	37,960,882	-	-	96,692,921	134,653,803
Total Assets	\$ 774,066,538	\$ 174,197,280	\$ 5,654,399	\$ 1,044,762,671	\$ 1,998,680,888
Liabilities:					
Gift annuities payable	\$ -	\$ -	\$ 24,893,937	\$ -	\$ 24,893,937
Liability under split interest agreements	-	-	784,693	-	784,693
Total Liabilities	\$ -	\$ -	\$ 25,678,630	\$ -	\$ 25,678,630
Fair Value at June 30, 2021					
	Level 1	Level 2	Level 3	NAV ¹	Total
Assets:					
Cash and cash equivalents	\$ 143,445,385	\$ 8,642,910	\$ -	\$ -	\$ 152,088,295
Publicly traded equities	494,718,549	-	-	241,071,468	735,790,017
Traditional fixed income	31,475,965	178,912,211	-	556,351,212	766,739,388
Hedge funds	1,148,154	-	-	199,574,919	200,723,073
Private equity	-	-	6,478,506	42,650,553	49,129,059
Commodities/other alternatives	1,905,744	-	-	89,388,375	91,294,119
Total Assets	\$ 672,693,797	\$ 187,555,121	\$ 6,478,506	\$ 1,129,036,527	\$ 1,995,763,951
Liabilities:					
Gift annuities payable	\$ -	\$ -	\$ 27,420,466	\$ -	\$ 27,420,466
Liability under split interest agreements	-	-	751,930	-	751,930
Total Liabilities	\$ -	\$ -	\$ 28,172,396	\$ -	\$ 28,172,396

Liberty University, Inc.

Notes to Consolidated Financial Statements

¹ Net Asset Value (“NAV”) column above represents the University’s ownership interest in investment vehicles that are not publicly traded (i.e. Limited Partnership, etc.). As a practical expedient, the University uses its ownership interest in the NAV to determine the fair value of all alternative investments that do not have a readily determinable fair value and have financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. These NAVs are provided by an independent, third-party administrator, and each vehicle also has an audit completed yearly.

The NAV of these investments is approved by the general partner upon calculation from the third-party administrator and is based upon appraisal or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the general partner will take into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The University has performed due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30, 2022 and 2021.

Redemptions are generally permitted after some period of time after initial investment (for example, monthly, quarterly, annually, five-year, and ten-year), subject to certain restrictions, which include a notice period usually ranging from 30 days to one year.

Redemption Information for Assets Valued at NAV Fair Value as of June 30, 2022

Classification	NAV	Redemption Terms	Days Notice
Publicly traded equities	\$ 33,244,464	Daily	Daily
	134,126,857	Monthly	30 days
	24,307,230	Quarterly	1 year rolling
Traditional fixed income	521,995,608	Monthly	30 days
Hedge funds	149,889,461	Quarterly	90 days
	27,368,330	Quarterly	1 year
	18,479,943	Quarterly	5 years or more
Private equity/venture capital	38,657,857	Not redeemable	3 years or more
Commodities/other alternatives	96,692,921	Monthly	30 days
Total Assets Valued at NAV	\$1,044,762,671		

Liberty University, Inc.

Notes to Consolidated Financial Statements

Redemption Information for Assets Valued at NAV Fair Value as of June 30, 2021

Classification	NAV	Redemption Terms	Days Notice
Publicly traded equities	\$ 48,369,724	Daily	Daily
	151,955,576	Monthly	30 Days
	16,476,238	Annual	In redemption
	24,269,930	Annual	90 days
Traditional fixed income	556,351,212	Monthly	30 days
Hedge funds	559,841	In Progress	N/A
	15,328,107	Quarterly	60 Days
	129,004,250	Quarterly	90 Days
	29,802,293	Semi-annual	60 Days
	24,880,428	Quarterly	5 years or more
Private equity/venture capital	42,650,553	Not redeemable	3 years or more
Commodities/other alternatives	89,388,375	Monthly	30 Days
Total Assets Valued at NAV	\$1,129,036,527		

Private equity funds had \$13,615,643 and \$24,593,883 remaining unfunded with up to 8 years as of June 30, 2022 and 2021, respectively.

Changes in Level 3 assets for the years ended June 30, 2022 and 2021 are as follows:

<i>Years Ended June 30,</i>	2022	2021
Balance , beginning of year	\$ 6,478,506	\$ 6,528,661
Purchases and sales, net	(597,610)	-
Realized/unrealized gains (losses)	(226,497)	(50,155)
Balance , end of year	\$ 5,654,399	\$ 6,478,506

Liberty University, Inc.

Notes to Consolidated Financial Statements

Changes in Level 3 liabilities for the years ended June 30, 2022 and 2021 are as follows:

	Gift Annuities Payable	Other Split-Interest Agreements
Balance, June 30, 2020	\$ 27,826,254	\$ 1,181,373
Additions/purchases	841,976	3,056
Payouts	(2,917,924)	(118,676)
Realized/unrealized gains (losses)	10,556,115	219,466
Change in value of split-interest agreements	(8,885,955)	(533,289)
Balance, June 30, 2021	\$ 27,420,466	\$ 751,930
Additions/purchases	308,109	-
Payouts	(2,675,290)	(120,092)
Realized/unrealized gains	(8,166,335)	(208,484)
Change in value of split-interest agreements	8,006,987	361,339
Balance, June 30, 2022	\$ 24,893,937	\$ 784,693

6. Property, Plant and Equipment

Property, plant and equipment, net consists of the following at:

<i>June 30,</i>	2022	2021
Buildings	\$ 1,273,353,955	\$ 1,250,647,166
Furniture and equipment	265,098,498	264,911,729
Land and land improvements	190,303,617	188,607,577
Construction in progress	52,781,770	25,722,591
Total property, plant and equipment	1,781,537,840	1,729,889,063
Accumulated depreciation and amortization	(479,776,145)	(441,114,885)
Property, plant and equipment, net	\$ 1,301,761,695	\$ 1,288,774,178

The University capitalized \$1,385,664 and \$2,416,400 of interest for the year ended June 30, 2022 and 2021, respectively. Depreciation expense for the years ended June 30, 2022 and 2021, was \$61,325,560 and \$61,745,703, respectively.

Liberty University, Inc.

Notes to Consolidated Financial Statements

7. Investments in Real Estate

Investment in real estate, net consists of the following at:

<i>June 30,</i>		2022		2021
Investment in real estate	\$	186,966,826	\$	189,358,087
Accumulated depreciation and amortization		(30,435,228)		(24,454,922)
Investment in real estate, net	\$	156,531,598	\$	164,903,165

The University's investments in real estate consist of land and buildings donated from various individuals or purchased by the University for investment purposes. The University holds investments in real estate at historical cost less depreciation. These investments are analyzed for impairment each year based on current market conditions. During the years ended June 30, 2022 and June 30, 2021, the University recognized \$9,590,797 and \$0, respectively, of impairment loss on investments in real estate.

8. Deferred Revenue and Deposits

Deferred revenue and deposits consist primarily of student related charges including tuition and fees which are deferred until earned. The deferral is calculated based on number of class days used or unused. The deposits are primarily monies deposited with the University toward a term for which the University's performance obligation has not yet been performed for the individual. Deferred revenue and deposits consist of the following at:

<i>June 30,</i>		2022		2021
Deferred student - Fall	\$	61,858,986	\$	56,979,152
Deferred student - Summer		50,269,601		71,452,548
Deposits		25,516,112		25,612,956
Deferred student - Liberty University Online Academy		5,353,949		4,478,475
Deferred - Other		4,006,756		5,310,295
Deferred student - Spring		4,828		-
Total Deferred revenue and deposits	\$	147,010,232	\$	163,833,426

Liberty University, Inc.

Notes to Consolidated Financial Statements

The following tables summarize the contract liability activity for the years ended June 30, 2022 and 2021:

<i>Year Ended June 30, 2022</i>	Beginning Balance	Revenue Recognized	Cash Receipts	Ending Balance
Tuition and fees	\$ 132,876,026	\$(1,001,440,138)	\$ 985,970,449	\$ 117,406,337
Auxiliary activities	34,149	(95,683,086)	95,729,964	81,027
Total	\$ 132,910,175	\$(1,097,123,224)	\$1,081,700,413	\$ 117,487,364

<i>Year Ended June 30, 2021</i>	Beginning Balance	Revenue Recognized	Cash Receipts	Ending Balance
Tuition and fees	\$ 115,005,088	\$ (960,248,884)	\$ 978,119,822	\$ 132,876,026
Auxiliary activities	87,016	(83,864,191)	83,811,324	34,149
Total	\$ 115,092,104	\$(1,044,113,075)	\$1,061,931,146	\$ 132,910,175

The University expects the full amount outstanding as of June 30, 2022, less refunds, to be recognized into revenue during the year ended June 30, 2023, given the time span of each of its terms being less than a year. Consideration from these contracts was not excluded from the transaction prices.

9. Liabilities under Split-Interest Agreements

The University receives gifts from donors who receive income from the assets until their deaths. These split-interest agreements consist primarily of charitable gift annuities and charitable remainder unitrusts. These agreements provide either fixed annual payments or fixed annual returns to the original donor or a designated beneficiary. The assets received from the donor are recorded at fair market value upon receipt of the gift and the liability is recorded using a discount rate reflecting expected rates of return in the marketplace and the expected lives of the donors. Fixed payout percentages range from 3.1% to 11.4%.

The University utilized the 2012 Individual Annuity Reserving Table (“2012 IAR Table”) for reserving purposes for the years ended June 30, 2022 and 2021. The discount rate used in calculation of split interest agreements ranged from 0.4% to 8.0% at June 30, 2022 and 2021, respectively.

The University received contributions under split-interest agreements of \$290,992 and \$136,842 for the years ended June 30, 2022 and 2021, respectively.

Liberty University, Inc.

Notes to Consolidated Financial Statements

10. Long-Term Debt

Long-term debt consisted of the following at:

<i>June 30,</i>	2022	2021
Bond issue 2012, unsecured and issued at a discount of approximately \$950,000, with interest only payments due each March 1st and September 1st at a fixed rate of 5.1%. Principal is due in full in 2042.	\$ 100,000,000	\$ 100,000,000
Bond issue 2019, unsecured and issued at a discount of approximately \$714,000, with various principal and interest payments due each March 1st and September 1st, including semi-annual interest payments ranging from \$778,000 to \$1,518,582 through 2034. Annual sinking fund payments will be due from March 2023 through March 2034 in amounts ranging from \$3,660,000 to \$46,590,000. Interest rates range from 2.25% to 3.34%.	93,410,000	96,990,000
Long-term debt, gross	193,410,000	196,990,000
Less: Unamortized debt issuance costs	(664,650)	(711,995)
Less: Net discount on long-term debt	(1,202,796)	(1,283,995)
Long-term debt, net	\$ 191,542,554	\$ 194,994,010

There were no financial covenants over long-term debt at June 30, 2022 and 2021.

There are twelve certificates of deposit from Carter Bank and Trust in an amount totaling \$8,688,979 pledged as collateral to secure a performance bond with the City of Lynchburg and Campbell County for various campus construction projects.

As of June 30, 2022, there are 15 letters of credit totaling \$2,344,371, that were issued between April 2013 and March 2022, on behalf of the University to local municipalities (City of Lynchburg and Campbell County) and the state of Virginia for various construction projects. The expiration dates occur between August 2022 and May 2023.

Interest expense on long-term debt amounted to \$6,934,240 and \$6,004,738 for the years ended June 30, 2022 and 2021, respectively.

Liberty University, Inc.

Notes to Consolidated Financial Statements

The aggregate annual maturities of long-term debt as of June 30, 2022 are as follows:

<i>Years Ending June 30,</i>	
2023	\$ 3,660,000
2024	3,745,000
2025	3,825,000
2026	3,955,000
2027	4,085,000
Thereafter	174,140,000
Total	\$ 193,410,000

11. Leases

The University has historically entered into a number of lease arrangements under which it is the lessee. Specifically, eleven of the University's leases are subject to financing lease standards, and three are subject to operating lease standards. The majority of the financing leases entered into consist of communications tower leases. The remaining financing leases consist of equipment leases. The three operating leases consist of equipment, parking lot, and communications tower leases.

All of the University's leases include optional renewal periods. To the extent the initial lease term of the related lease is less than the useful life of the leasehold improvements, the University concludes it is reasonably certain that a renewal option will be exercised, and thus that renewal period is included in the lease term with the related payments reflected in the right-of-use ("ROU") asset and lease liability. Each lease is routinely evaluated to determine the likelihood that renewal periods will be exercised.

All of the University's leases include fixed rental payments, but some of the leases also include variable rental payments. In addition, the University also commonly enters into leases under which the lease payments increase at pre-determined dates based on the change in the consumer price index. While the majority of the leases are gross leases, the University also has a number of leases in which separate payments are made to the lessor based on the lessor's property and casualty insurance costs and the property taxes assessed on the property, as well as a portion of the common area maintenance associated with the property. The University has elected to separate lease and non-lease components for all leases.

As of June 30, 2022, lease liabilities have been determined using a weighted-average discount rate of approximately 4.68%. The rate implicit in the University's leases is not readily determinable. Accordingly, the University uses its estimated incremental borrowing rate, which represents the rate of interest that it would pay to borrow on a collateralized basis over a similar term. The remaining weighted-average life of the University's finance leases and operating leases is approximately 18.94 years and 4.85 years, respectively, with a weighted-average of 13.22 years across all leases.

Liberty University, Inc.

Notes to Consolidated Financial Statements

The University has decided to exclude non-lease components when measuring right-of-use assets and lease liabilities. Non-lease components include payments for utilities, and payments based on the usage of the leased assets.

Lease costs were as follows:

<i>Years Ended June 30,</i>	2022	2021
Operating Lease Cost		
Fixed rent expense	\$ 1,287,971	\$ 543,232
Finance Lease Cost		
Amortization of ROU assets	396,887	345,063
Interest expense	123,724	73,987
Net Lease Cost	\$ 1,808,582	\$ 962,282
Lease Cost - Instruction	\$ -	\$ 8,231
Lease Cost - Public service	77,566	104,566
Lease Cost - Student services	9,571	9,782
Lease Cost - Institutional support	1,721,445	839,703
Net Lease Cost	\$ 1,808,582	\$ 962,282

Amounts recognized as right-of-use assets related to finance leases are included in prepaid expenses and other assets, net in the accompanying statements of financial position, while related lease liabilities are included in other long-term liabilities. Right-of-use assets totaled \$7,864,142 and \$952,083 as of June 30, 2022 and 2021, respectively. Current and long-term portions of lease liabilities related to finance leases totaled \$344,307 and \$7,659,840, respectively, as of June 30, 2022. Current and long-term portions of lease liabilities related to finance leases totaled \$310,225 and \$961,408, respectively, as of June 30, 2021.

The University had the following cash and non-cash activities associated with leases as follows:

<i>Years Ended June 30,</i>	2022	2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,266,038	\$ 482,351
Operating cash flows from finance leases	305,814	312,334
Financing cash flows from finance leases	123,724	73,987
Non-cash investing and financing activities additions to ROU assets obtained from:		
New operating lease liabilities	8,412,601	706,920
New finance lease liabilities	\$ 6,962,474	\$ -

Liberty University, Inc.

Notes to Consolidated Financial Statements

Future minimum lease payments due under financing and operating leases as of June 30, 2022 were as follows:

	Financing Leases	Operating Leases
2023	\$ 660,546	\$ 2,532,591
2024	738,307	2,371,129
2025	591,775	1,735,129
2026	495,633	256,764
2027	469,089	261,900
2028 and thereafter	9,475,140	1,341,202
Total lease payments	\$ 12,430,490	\$ 8,498,715
Less: Imputed interest	(4,426,343)	(704,398)
Present Value of Lease Liabilities	\$ 8,004,147	\$ 7,794,317

12. Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Net assets restricted for the construction of a building are released when the building is placed in service. Total net assets primarily used for scholarships, capital projects and athletic expenses released or reclassified were \$2,095,186 and \$1,667,232 for the years ended June 30, 2022 and 2021, respectively.

Liberty University, Inc.

Notes to Consolidated Financial Statements

13. Net Assets

The amounts included as net assets with donor restrictions consist of the following at:

<i>June 30,</i>	2022	2021
<hr/>		
Perpetual Endowments		
Scholarships	\$ 12,328,250	\$ 12,253,818
General University	3,557,283	3,557,705
Seminary	43,204	43,204
Endowment requiring earnings added to corpus	169,031	199,454
<hr/>		
Total perpetual endowments	\$ 16,097,768	\$ 16,054,181
<hr/>		
Purpose Restricted Net Assets		
Scholarships	\$ 7,650,219	\$ 9,123,535
Athletics	2,646,217	1,332,810
Capital projects	2,256,356	760,681
Benevolence and missions and other	4,858,788	4,494,344
Underwater endowments	(859,546)	(772,135)
<hr/>		
Total purpose restricted net assets	\$ 16,552,034	\$ 14,939,235
<hr/>		
Time Restricted Net Assets		
Split interest agreements	\$ 363,498	\$ 689,043
<hr/>		
Total time restricted net assets	363,498	689,043
<hr/>		
Net assets with donor restrictions	\$ 33,013,300	\$ 31,682,459

14. Endowments

The University's endowment consists of 89 individual donor-restricted endowment funds as well as quasi endowment funds. Net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

<i>June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Original Gift	Accumulated (Loss) Gain	
Quasi endowment	\$ 2,151,153,066	\$ -	\$ -	\$ 2,151,153,066
Underwater funds	-	3,441,200	(859,546)	2,581,654
Other funds	-	12,656,568	3,055,675	15,712,243
<hr/>				
Total	\$ 2,151,153,066	\$ 16,097,768	\$ 2,196,129	\$ 2,169,446,963

Liberty University, Inc.

Notes to Consolidated Financial Statements

<i>June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions		Total
		Original Gift	Accumulated (Loss) Gain	
Quasi endowment	\$ 2,136,296,121	\$ -	\$ -	\$ 2,136,296,121
Underwater funds	-	3,441,200	(772,135)	2,669,065
Other funds	-	12,612,981	5,020,429	17,633,410
Total	\$ 2,136,296,121	\$ 16,054,181	\$ 4,248,294	\$ 2,156,598,596

The quasi endowment is held to support the general purpose of the University as needed.

The management of donor-restricted endowment funds is governed by state law under the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as adopted by the Virginia state legislature in 2008. The law gives guidance for investment and spending practices, giving consideration for donor-intent and the organization’s overall resources and charitable purpose. Based on its interpretation of the law and in compliance with donor intent, the University classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the donor-restricted endowment that is not classified as perpetual endowments is classified as purpose or time restricted net assets until those amounts are appropriated for expenditure.

Changes in endowment funds consisted of the following for the years ended June 30, 2022 and 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 1,697,866,458	\$ 16,596,106	\$ 1,714,462,564
Investment return, net	221,631,137	3,591,770	225,222,907
Contributions, net	216,798,527	133,450	216,931,977
Appropriations for expenditure	-	(18,852)	(18,852)
Endowment net assets, June 30, 2021	\$ 2,136,296,122	\$ 20,302,474	\$ 2,156,598,596
Investment return, net	(191,995,548)	(2,032,375)	(194,027,923)
Contributions, net	206,852,492	82,052	206,934,544
Appropriations for expenditure	-	(58,254)	(58,254)
Endowment net assets, June 30, 2022	\$ 2,151,153,066	\$ 18,293,897	\$ 2,169,446,963

The University has adopted donor-restricted endowment and quasi endowment spending policies to help ensure the continued viability of endowment funds and to preserve the long-term purchasing power of endowment funds. Investment returns are achieved through capital appreciation (realized and unrealized), current yield (interest and dividends), and net income on endowed subsidiaries.

Liberty University, Inc.

Notes to Consolidated Financial Statements

The University has a diversified asset allocation that places emphasis on investments in equities and absolute return strategies to achieve its long-term return objectives within prudent risk constraints.

The Board-approved spending formula for the donor restricted endowment provides for spending the lesser of 3% of the original gift, including earnings returned to principle as of the prior year end, or historic accumulated earnings distributed to the endowment fund.

15. Employee Benefit Plans

The University participates in retirement plans for all eligible faculty, staff, and hourly employees and matches plan participants' contributions up to 5% of gross pay. Eligible participants are subject to a five-year vesting schedule. The University contributed \$9,346,810 and \$8,501,864 under these plans during the years ended June 30, 2022 and 2021, respectively. Also, in May 2022, The University rolled out a new 457(b) plan for employees as an additional tax sheltered saving account option.

The University is self-insured for employee health care claims up to \$400,000 per covered individual per plan year. The University has purchased specific stop loss coverage from a commercial insurance carrier to provide for any claim in excess of these amounts. At June 30, 2022 and 2021, the University had provided an accrual of \$4,426,200 and \$4,751,765, respectively, which represents our Incurred But Not Reported claims for the previous plan year. Participants are fully vested at enrollment. For the years ended June 30, 2022 and 2021, the University incurred claims, premium expenses, and administrative fees related to its health care plan totaling \$36,698,317 and \$31,826,026, respectively.

During the year ended June 30, 2020, the University provided then-President Jerry Falwell ("Falwell") an additional nonqualified retirement plan to supplement his University-provided 403(b). The benefit was structured so that it is treated as having been earned as an annual notional credit of \$385,000 (reduced by the University-provided 403(b) employer contribution) to an account earning 6% investment returns annually over the term of Falwell's service as President, including credits for the period 2007-2019. Annual credits attributable to service periods after July 1, 2019 require Falwell to be employed as President through the crediting date to receive the credit, and the entire benefit is subject to forfeiture if certain conditions are not met or if a court rules in the University's favor in pending litigation with Falwell. As of June 30, 2022 and June 30, 2021, \$8,579,728 and \$8,738,208 is accrued, respectively, as the liability for this plan.

16. Compensated Absences

The University provides paid personal/sick days to all benefited full-time employees at a rate of five days per year. The policy does not allow for the accumulation of sick leave. Unused personal sick day benefits are not paid to employees while employed or upon termination.

The University provides for vacation days accrued based on years of employment and paid at the employee's base pay rate at the time of vacation. The policy does not allow for carryover of unused days into the next calendar year nor compensation in the form of payment at the end of the calendar year. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work. The vacation policy was updated on April 1, 2022 to include increased vacation days for all years of service as well as the ability to roll over up to five days of unused vacation from the previous calendar year.

Liberty University, Inc.

Notes to Consolidated Financial Statements

However, employees will no longer be able to use unearned vacation days effective January 1, 2023. Accrued vacation was \$4,876,141 and \$2,674,683 at June 30, 2022 and 2021, respectively, and is included in accrued liabilities on the consolidated statements of financial position.

17. Related Party Transactions

The University provides printing, postal, telephone, custodial, security, and facilities usage to certain related parties. Receivables in connection with these services in the accompanying consolidated statements of financial position are included in the Amounts Receivable from Related Parties schedule below.

As part of the consideration of the purchase of the LCA facilities and a Danville, Virginia shopping center from Thomas Road Baptist Church ("TRBC"), the University provides certain shared services to TRBC at no additional charge. The value of custodial services was \$174,000 for each of the years ended June 30, 2022 and 2021. The University also provided \$75,877 in Information Services support for the year ended June 30, 2022. Information Services support was not separately tracked in prior years. The University also provided \$282,857 in usage of LCA facilities to TRBC, and \$152,040 in usage of the Dan River Church facilities to TRBC for each of the years ended June 30, 2022 and 2021. The values of the custodial charges and Information Support are recorded as donation expense on the University's consolidated statements of activities, and the donated facilities usage is recorded as rental revenue and donation expense.

In addition, the University provided to TRBC \$37,500 for each of the years ended June 30, 2022 and 2021 for the church's usage of Camp Hydaway as consideration of the University's purchase of the facility from TRBC. The donated facilities usage is recorded as rental revenue and donation expense.

In the year ended June 30, 2022, the University donated five vehicles to TRBC with a value of \$505,960. Broadcast equipment valued at \$111,383 and other equipment valued at \$26,410 was also donated by the University to TRBC as well as \$2,358 miscellaneous donations. These donations are recorded as donation expense.

The University holds a note receivable from OTGH with balances of \$195,378 and \$189,069 at June 30, 2022 and 2021, respectively.

As University Trustee and Senior Pastor of TRBC, Jonathan Falwell holds a seat on LCA's Board of Directors. LCA has been granted access rights to various TRBC buildings and land at no cost to LCA. The fair value of the usage of the TRBC property was estimated to be \$235,765 and \$292,546 for the years ended June 30, 2022 and June 30, 2021, respectively. LCA has made improvements to the buildings and land which are recorded by LCA as leasehold improvements and depreciated based upon the shorter of the lease term or estimated useful life of the improvements. During each of the years ended June 30, 2022 and June 30, 2021, LCA received \$6,000 donations from TRBC. The members of TRBC also receive a tuition discount to attend LCA, which approximated \$78,107 and \$73,500 for the years ended June 30, 2022 and June 30, 2021, respectively. These amounts are recorded in Other Sources and Institutional Support in the University's consolidated statements of activities.

Liberty University, Inc.

Notes to Consolidated Financial Statements

In addition, beginning July 1, 2020 and ending June 30, 2022, LCA, along with TRBC, Liberty Godparent Home, and two unaffiliated organizations, was enrolled in a captive insurance plan for employee healthcare. TRBC was plan administrator and, as such, paid and allocated plan claims and costs to the participating organizations based on estimated usage. LCA was allocated 52.10% and 53.85% of plan claims and costs for the years ended June 30, 2022 and June 30, 2021. LCA medical expenses for the plan years ended June 30, 2022 and June 30, 2021 were \$1,167,400 and \$1,005,016, respectively. Amounts due from LCA to TRBC for LCA's share of claims and costs paid on behalf of the plan were \$3,058 and \$23,151 at June 30, 2022 and June 30, 2021, respectively.

For the year ending June 30, 2022, the University notified and requested reimbursement from Former President Jerry Falwell, Jr. and certain members of his immediate family for certain expenses paid on their behalf. To date, these amounts are being reviewed by Jerry Falwell, Jr. and his immediate family and no resolution for reimbursement has been reached. The amount to be reimbursed is not a material disclosure to the consolidated financial statements.

During the year ended June 30, 2021, Freedom Aviation, Inc. (Freedom) performed \$13,929 in charter services for Jerry Falwell, Jr. Freedom and its wholly owned subsidiary Virginia Aviation Resources, Inc. performed \$54,657 and \$57,932 aviation fueling and maintenance services to Jonathan Falwell and his company N-J Aviation LLC in the fiscal years ended June 30, 2022 and 2021, respectively. As of June 30, 2021, \$42,508 was due from N-J Aviation LLC. There were no amounts due from Jonathan Falwell as of June 30, 2022.

Real estate management fees of \$40,655 were paid to JF Management, LLC, owned by a son of Mr. Falwell, in the year ended June 30, 2021.

In July 2020, the University made a \$486,566 payment in full on a Carter Bank and Trust note held by the Falwell Family GST Irrevocable Trust (the "Trust"). The University holds a note receivable from the Trust with a balance of \$497,820 and \$492,126 at June 30, 2022 and June 30, 2021, respectively, including interest accrued at 1.17% per year.

Other immaterial related party transactions are disclosed in public documents as required by federal or state regulations. The University does not control Thomas Road Baptist Church, Liberty Godparent Home, Liberty University Foundation, or Old Time Gospel Hour.

18. Commitments and Contingencies

The University is subject to certain claims that arise in the ordinary course of operations. Many of these claims are in the early stages of the evaluation process. Accordingly, it is not possible at the present time to estimate the ultimate legal and financial liability, if any, with respect to certain lawsuits. In the opinion of management, after consultation with counsel, adequate insurance exists, so the eventual outcome of such claims is not expected to have a material adverse effect on the University's financial position. However, an unfavorable resolution of some or all of these matters could materially affect the future results of operations or cash flows in a particular period.

The University's students receive a substantial amount of support from federal and state student financial assistance programs. A significant reduction in the level of this support, if this were to occur, may have an adverse effect on the University's programs and activities. Amounts received and expended by the University under various federal and state programs are subject to audit by various federal and state agencies and therefore subject to adjustment.

Liberty University, Inc.

Notes to Consolidated Financial Statements

According to Iskason & Roe (Public law 116-315; Section 1019), the process of issuing overpayments of Veterans Administration payments has changed. Effective January 2021, any overpayment of Tuition and Fee funds for a student using Post-9/11 GI Bill®, Fry Scholarship, and/or Edith Nourse Rogers STEM Scholarship will be a liability of the school. This includes payments made to the school for the tuition and fees, as well as payments made to the student for tuition and fees. Due to this change in legislation, there are now times when a school will be in debt for more than the school was paid for the term. In these cases, a charge will be placed on the student's account in the amount that the school paid the Veterans Administration over and above the money that the University received for this student.

There are various commitments and contingencies related to the University's construction projects, which are listed below. Listed by project is the contract amount in place, contract costs completed, and as of June 30, 2022, the remainder of contract costs to be completed.

Project	Contract Amount	Costs to Date	Costs to Complete
Reber Thomas Dining	\$ 61,896,044	\$ 17,014,884	\$ 44,881,160
Liberty Multipurpose Center	13,136,035	7,113,846	6,022,189
Hydaway Lake Expansion	10,679,329	6,357,180	4,322,149
West William Stadium Suite	6,348,812	4,717,874	1,630,938
Hangar Building Maintenance	3,333,589	668,581	2,665,008
Total	\$ 95,393,809	\$ 35,872,365	\$ 59,521,444

On September 30, 2021, the University received notice of an Internal Revenue Service examination for fiscal year 2019. The investigation is ongoing at June 30, 2022, but management does not believe this examination will result in material liabilities or adjustments to the financial statements.

On February 18, 2022, the University was notified of a pending U.S. Department of Education Clery Act compliance program review. The review is ongoing, and results have not been determined as of the date of this report.

The University also has agreed to certain guarantees that could be, but are highly improbable to be, material to financial statements in future years.

Liberty University, Inc.

Notes to Consolidated Financial Statements

19. Contributions of Nonfinancial Assets

Contributions for the years ended June 30, 2022 and June 30, 2021 were as follows:

<i>Year Ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Contributions of cash and other financial assets	\$ 7,437,902	\$ 5,567,334	\$ 13,005,236
Contributions of nonfinancial assets	726,661	-	726,661
Total	\$ 8,164,563	\$ 5,567,334	\$ 13,731,897

<i>Year Ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Contributions of cash and other financial assets	\$ 4,331,182	\$ 5,948,233	\$ 10,279,415
Contributions of nonfinancial assets	256,862	-	256,862
Total	\$ 4,588,044	\$ 5,948,233	\$ 10,536,277

Contributions of nonfinancial assets include any non-monetary contributions to the University. Contributions of nonfinancial assets consisted of the following:

<i>Years Ended June 30,</i>	2022	2021
Horses/equine	\$ 189,900	\$ 19,900
Aircraft	-	215,383
Furniture and equipment	11,050	3,500
Land	511,008	-
Other	14,703	18,079
Total contributions of nonfinancial assets	\$ 726,661	\$ 256,862

There are no restrictions on contributions of nonfinancial assets for the years ended June 30, 2022 and June 30, 2021.

20. Other Sources

For the years ended June 30, 2022 and 2021, the University had other sources income of \$84,151,452 and \$63,404,485, respectively. These amounts include various non-mandatory student fees, fines, vehicle registration fees, sales and commissions, rental income, advertising income, athletic league distributions, health services revenue, and various sporting event related income and other miscellaneous income.

Liberty University, Inc.

Notes to Consolidated Financial Statements

21. Goodwill Impairment

During the year ended June 30, 2021, the University engaged with third-party appraisers to assess the value of the property of its wholly-owned subsidiary, River Ridge Mall JV, LLC (the “Mall”). The Mall is currently in the midst of a multi-phase redevelopment, and with the changes in occupancy and the effects of the coronavirus pandemic, an assessment of its goodwill was deemed necessary. Using the most recently obtained appraisal and the Mall’s cash and receivable balances, net liabilities, the University determined that the Mall’s \$10,570,036 of goodwill was fully impaired and recognized a goodwill impairment loss of that amount within the accompanying consolidated statement of activities. No similar goodwill impairment was incurred during the year ended June 30, 2022.

22. Acquisition

On January 1, 2022, University subsidiary Liberty Health Services (LHS), purchased from Central Virginia Family Physicians (CVFP); 67% membership interest in MD Resource, LLC (MDR), 80% membership interest in Collaborative Health Partners (CHP Legacy), and certain tangible and intangible assets of CVFP. The transaction creates a new Collaborative Health Partners (CHP) with a five-person board. Three members are appointed by CHP and two members are appointed by CVFP. The acquisition allows CHP to support the University’s medical education goals and positively impact the quality of value-based healthcare in the community.

LHS provided \$6,997,583 in cash as consideration for the purchase. The purchase brought CHP’s ownership of MDR and CHP Legacy to 100%. Goodwill of \$5,886,425 was recognized because of the sale, which includes the workforce in place and the acquired interests in MDR and CHP Legacy. \$1,791,705 of other intangible assets and \$204,053 of property, plant, and equipment were also recognized.

23. Higher Education Emergency Relief Fund

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The University was allocated federal funds from the CARES Act for Higher Education Emergency Relief Fund (“HEERF Grant”) in the total amounts of approximately \$15,205,124 related to relief efforts in light of the COVID-19 outbreak. During the year ended June 30, 2021, the University drew down and distributed all \$15,205,124 of the HEERF Grant directly to students.

Liberty University, Inc.

Notes to Consolidated Financial Statements

On December 27, 2020, President Trump signed into law the “Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)”. This legislation added to the federal funds previously allocated under the HEERF Grant (“HEERF 2”). The University was allocated \$37,777,577 from the HEERF 2 funds, with \$10,282,412 to be utilized for direct aid to students. During the year ended June 30, 2021, the University drew down and disbursed all \$10,282,412 of the HEERF 2 funds directly to students. During the year ended June 30, 2021, the University expended and recognized \$27,495,165 of the portion meant to reimburse institutional expenses related to COVID-19 as grants and contracts revenue in the accompanying statement of activities.

On March 11, 2021, President Biden signed into law the “American Rescue Plan (“ARP”) Act.” The ARP Act created an additional allocation of federal funds for education under the HEERF Grant (“HEERF 3”). The University was allocated \$63,492,347 of HEERF 3 funds. During the year ended June 30, 2022, the University drew down and disbursed all \$40,543,741 of HEERF 3 funds allocated for student aid directly to students. During the year ended June 30, 2022, the University expended and recognized \$9,747,281 of HEERF 3 funds to reimburse institutional expenses related to COVID-19 as grants and contracts revenue in the accompanying statement of activities. As of the date of this report, an additional \$5,532,144 of HEERF 3 funds has been drawn down to reimburse institutional expenses.

24. Subsequent Events

Management has evaluated subsequent events and their potential effects on these consolidated financial statements from June 30, 2022 (the date the consolidated statement of financial position is being presented) through November 18, 2022 (the date these consolidated financial statements were available to be issued).

Supplementary Information

Liberty University, Inc.

Title IV Strength Factor Score Year Ended June 30, 2022

Reference	Ratio/Variable Description	Data	Strength Factor	Strength Factor Calculation	Strength Factor Weight	Weighted Strength Factor
Primary Reserve Ratio						
Consolidated Statement of Financial Position	Net assets without donor restrictions	+ \$ 3,493,968,692				
Consolidated Statement of Financial Position	Net assets with donor restrictions	+ 33,013,300				
Consolidated Statement of Financial Position	Net assets with donor restrictions: restricted in perpetuity	- 16,097,768				
N/A	Annuities, term endowment, and life income funds with donor restrictions	-				
See Note C to this schedule	Intangible assets	- 12,673,115				
Consolidated Statement of Financial Position	Net property, plant and equipment (see Note A to this schedule)	- 1,317,329,275				
Note 8	Post-employment and defined benefit pension liabilities	+ 8,579,728				
Consolidated Statement of Financial Position	All debt obtained for long-term purposes, not to exceed net property, plant and equipment (See Note B to this schedule)	+ 207,341,018				
Consolidated Statement of Financial Position	Unsecured related-party receivables	- 2,366,928				
	Numerator total	\$ 2,394,435,652				
Consolidated Statement of Activities - Total Operating Expenses Plus Nonoperating Losses	All expenses and losses without donor restrictions less any losses without donor restriction on investments, post-employment and defined benefit pensions, and annuities	+ \$ 958,967,869				
	Denominator total	\$ 958,967,869				
	Primary Reserve Ratio:	2.50	10.00	3.00	0.40	1.20
Equity Ratio						
Consolidated Statement of Financial Position	Net assets without donor restrictions	+ \$ 3,493,968,692				
Consolidated Statement of Financial Position	Net assets with donor restrictions	+ 33,013,300				
See Note C to this schedule	Intangible assets	- 12,673,115				
Consolidated Statement of Financial Position	Unsecured related-party receivables	- 2,366,928				
	Numerator total	\$ 3,511,941,949				
Consolidated Statement of Financial Position	Total assets	+ \$ 4,002,537,835				
See Note C to this schedule	Intangible assets	- 12,673,115				
Consolidated Statement of Financial Position	Unsecured related-party receivables	- 2,366,928				
	Denominator total	\$ 3,987,497,792				
	Equity Ratio:	0.88	6.00	3.00	0.40	1.20
Net Income Ratio						
Consolidated Statement of Activities	Change in net assets without donor restrictions	+ \$ 64,712,296				
	Numerator total	\$ 64,712,296				
Statement of Activities - Total Operating Revenues Without Donor Restriction Plus Nonoperating Revenues	Total revenues without donor restriction, including net assets released from restrictions and gains	+ \$ 1,233,655,714				
	Denominator total	\$ 1,233,655,714				
	Net Income Ratio:	0.05	1 + (50x)	3.00	0.20	0.60
Strength Factor Score						3.0

See independent auditor's report as well as notes to Title IV Strength Factor Score.

Liberty University, Inc.

Notes to Title IV Strength Factor Score Year Ended June 30, 2022

Note A. Property, Plant and Equipment, Net

<i>June 30,</i>	<i>2022</i>
Pre-Implementation	
Net property, plant and equipment	\$ 979,026,174
Post-Implementation	
Net property plant and equipment - With outstanding debt for original purchase	-
Net property plant and equipment - Without outstanding debt for original purchase	269,953,751
Construction in process	52,781,770
Total property and equipment, net	1,301,761,695
Right-of-use assets - pre-implementation	261,944
Right-of-use assets - post-implementation	15,305,636
Total right-of-use assets	15,567,580
Total property and equipment, net and right-of-use assets	\$ 1,317,329,275

Note B. Long-Term Debt for Long-Term Purposes

<i>June 30,</i>	<i>2022</i>
Long term debt for long term purposes - pre-implementation	\$ 191,542,554
Long term debt for long term purposes - post-implementation	-
Total long-term debt for long-term purposes	\$ 191,542,554

Long term debt exceeds twelve months and was used to fund capitalized assets (i.e., property, plant and equipment or capitalized expenditures in accordance with accounting standards generally accepted in the United States of America).

<i>June 30,</i>	<i>2022</i>
Right-of-use liabilities - pre-implementation	\$ 299,095
Right-of-use liabilities - post-implementation	15,499,369
Total right-of-use liabilities	\$ 15,798,464

Note C. Intangible Assets

Intangible assets includes goodwill, rights to domain names, and favorable lease positions in accordance with accounting standards generally accepted in the United States of America.

Liberty University, Inc.

Schedules of Financial Position - Excluding Subsidiaries

June 30,	2022	2021
Assets		
Cash and cash equivalents	\$ 396,403,746	\$ 389,828,649
Accounts receivable, less allowance for doubtful accounts of \$7,488,082 and \$6,419,508 for the years ended June 30, 2022 and 2021, respectively	66,355,422	49,641,717
Amounts receivable from related parties	2,366,928	897,859
Notes receivable, less allowance for bad debt of \$0 and \$283,415 as of June 30, 2022 and 2021, respectively	5,436,378	5,792,044
Contributions receivable, net	392,741	416,840
Prepaid expenses and other assets	31,000,745	21,525,959
Investments, at fair value	2,195,185,932	2,191,487,788
Investments in real estate	46,710,318	47,722,396
Property, plant, and equipment, net	1,279,947,820	1,264,707,111
Total Assets	\$ 4,023,800,030	\$ 3,972,020,363
Liabilities and Net Assets		
Liabilities:		
Accounts payable - vendors	62,405,142	61,180,090
Accounts payable - other	7,913,331	8,882,431
Accrued liabilities	58,291,483	51,646,515
Accrued interest payable	2,712,388	2,739,190
Deferred revenue and deposits	145,342,732	160,109,666
Gift annuities payable	24,893,937	27,420,466
Liability under split interest agreements	784,693	751,930
Other long-term liabilities	2,931,778	3,357,210
Long-term debt, net	191,542,554	194,994,010
Total Liabilities	496,818,038	511,081,508
Net Assets:		
Without donor restrictions	3,493,968,692	3,429,256,396
With donor restrictions	33,013,300	31,682,459
Total Net Assets	3,526,981,992	3,460,938,855
Total Liabilities and Net Assets	\$ 4,023,800,030	\$ 3,972,020,363

See independent auditor's report.