AccessLex
INSTITUTE®

Empowering the Next Generation of Lawyers®

Consolidated Financial Statements and Report of Independent Certified Public Accountants

AccessLex Institute

March 31, 2026 and 2025

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
AccessLex Institute

Opinion

We have audited the consolidated financial statements of AccessLex Institute and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2026 and 2025, 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 financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the 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 Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

GrantThornton

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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.

Grant Thornton LLP

Philadelphia, Pennsylvania
July 1, 2026

AccessLex Institute

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31,

(In thousands)

ASSETS	**2026**	**2025**
Cash and cash equivalents	$ 7,578	$ 7,181
Investments, at fair value	1,038,331	920,488
Restricted cash and cash equivalents	23,601	41,772
Student loans receivable, net	414,656	502,222
Accrued interest receivable	18,886	20,088
Other assets	11,280	10,501
Total assets	$ 1,514,332	$ 1,502,252
LIABILITIES AND NET ASSETS		
Asset-backed notes, net	$ 325,534	$ 447,780
Other liabilities	73,886	56,992
Total liabilities	399,420	504,772
Net assets, without donor restrictions	1,114,912	997,480
Total liabilities and net assets	$ 1,514,332	$ 1,502,252

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

AccessLex Institute

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended March 31,

(In thousands)

	2026	2025
Operating revenues:		
Interest income	$ 34,843	$ 53,540
Interest expense	(42,797)	(47,497)
Net interest (expense) income	(7,954)	6,043
Provision for loan losses	3,043	(86)
Net interest (expense) income after provision for loan losses	(4,911)	5,957
Other operating income	1,193	2,009
Total operating (expenses) revenues	(3,718)	7,966
Operating expenses:		
Program services expenses	28,586	31,522
Management and general expenses	8,118	7,943
Total operating expenses	36,704	39,465
Change in net assets from operations	(40,422)	(31,499)
Nonoperating income:		
Investment return	157,854	70,711
Total nonoperating income	157,854	70,711
Change in net assets	117,432	39,212
Net assets, beginning of year	997,480	958,268
Net assets, end of year	$ 1,114,912	$ 997,480

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

AccessLex Institute

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31,

(In thousands)

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 117,432	$ 39,212
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net amortization of deferred costs and fees	420	174
Net amortization of note discount	116	117
Debt accretion	8,005	8,519
Accretion of interest income	(8,448)	(11,482)
Depreciation expense	839	1,199
Inventory obsolescence	398	-
Impairment loss	-	3,297
Provision for loan losses	(3,043)	86
Net realized and unrealized gain on investments	(151,986)	(63,863)
Reinvested investment dividends	(6,259)	(7,238)
Deferred financing costs	55	55
(Increase) decrease in operating assets:		
Accrued interest receivable	(1,803)	7,590
Prepaid expenses and other current assets	377	649
Increase in operating liabilities	16,893	5,470
Net cash used in operating activities	(27,004)	(16,215)
Cash flows from investing activities:		
Proceeds from sale of loans	-	99,729
Student loan principal payments	101,642	154,780
Purchases of property, equipment and capitalized external use software	(2,448)	(1,606)
Proceeds from sale of investments	143,777	97,952
Purchases of investments	(103,374)	(86,715)
Net cash provided by investing activities	139,597	264,140
Cash flows from financing activities:		
Repayment of debt principal	(130,367)	(279,786)
Net cash used in financing activities	(130,367)	(279,786)
Net decrease in cash, cash equivalents and restricted cash	(17,774)	(31,861)
Cash, cash equivalents and restricted cash at beginning of year	48,953	80,814
Cash, cash equivalents and restricted cash at end of year	$ 31,179	$ 48,953
Reconciliation to amounts on consolidated statement of financial position		
Cash and cash equivalents	$ 7,578	$ 7,181
Restricted cash and cash equivalents	23,601	41,772
Total cash, cash equivalents and restricted cash	$ 31,179	$ 48,953
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 19,628	$ 36,286
Supplemental disclosures of noncash investing transactions:		
Capitalization of accrued interest to student loans receivable	$ 3,005	$ 6,122

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

AccessLex Institute, incorporated in 1993, and its subsidiaries (collectively, the Company), is a Delaware nonstock, nonprofit membership corporation organized to promote access and affordability to legal and other higher education through financing and related services. The Company's members are comprised of state-operated/affiliated/supported and nonprofit American Bar Association-approved law schools located in the United States and Puerto Rico and number 193 as of March 31, 2026. The Company has received an Internal Revenue Service (the IRS) determination that it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and that it is not a private foundation within the meaning of Section 509(a) of the Code because it is an organization described in Section 509(a)(2) of the Code.

The Company has established a Delaware statutory trust, Access Group Loan Reserve Trust (LRT), as a separate legal entity for the purpose of holding, in trust, funds that are pledged for the payment of loan default claims on certain private student loans. Effective November 2025, the LRT trust was amended to reflect the expiration of its requirement to hold funds for the payment of future loan default claims given that all previous trusts to which the LRT served as guarantor have since been dissolved.

During fiscal year 2011, the Company established a limited liability corporation (LLC), Access Funding 2010-A, LLC (2010-A), for the purpose of holding a pool of private student loan assets that are pledged for the payment of specific student loan asset-backed notes and certificates.

During fiscal year 2011, the Company established a Delaware corporation, Agility Loan Services, Inc. (Agility), to manage certain business activities in connection with its management of its loan originations and loan servicing operations then in existence, and to perform other lawful activities permitted under the Delaware General Corporation Law. Agility has been inactive since its date of incorporation and has no assets or liabilities to date. The Company is the sole shareholder of Agility.

During fiscal year 2013, the Company established a limited liability corporation, Access Funding 2013-1, LLC (2013-1), for the purpose of refinancing the pool of federally guaranteed student loan assets previously held in Access Funding ABCP-I, LLC. These assets are pledged for the payment of specific student loan asset-backed notes.

During fiscal year 2016, the Company established a limited liability corporation, Access Funding 2015-1, LLC (2015-1), for the purpose of refinancing the pool of federally guaranteed student loan assets previously held in Access Group, Inc.'s Series 2008-1 transaction. These assets are pledged for the payment of specific student loan asset-backed notes.

During fiscal year 2016, the Company formed Milan Acquisition, LLC, a Delaware single-member LLC. On December 18, 2015, Milan Acquisition, LLC acquired all of the assets and assumed certain liabilities of Lawyer Metrics, LLC, an Indiana LLC. Subsequent to closing, Lawyer Metrics, LLC changed its name to LM Legacy, LLC, and Milan Acquisition, LLC changed its name to Lawyer Metrics, LLC. Lawyer Metrics, LLC was engaged in the business of offering products and services to the legal industry, including strategic data analysis, applied research and human capital management for law firms.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The acquisition was treated as a business combination under purchase accounting.

Effective May 26, 2017, Lawyer Metrics, LLC changed its name to LawyerMetrix, LLC.

Effective February 1, 2019, the Company ceased all then current operations performed by LawyerMetrix, LLC.

During fiscal year 2020, the Company formed AccessLex Bar Success, Inc. (Helix) as a separate legal entity for the purpose of supporting the educational and charitable activities of its sole member, AccessLex Institute, by developing and operating a not-for-profit legal studies course for students completing law school and preparing to take the Bar examination. The Company received notice that Helix was recognized as a tax-exempt entity under Section 501(c)(3) of the Code as of August 19, 2019.

Effective August 19, 2020, AccessLex Bar Success, Inc. changed its name to Helix Bar Review, Inc.

In October 2024, the Company sold the federally guaranteed student loan assets previously pledged as collateral in the AccessLex Series 2007-1 asset-backed securitization trust. Proceeds from the sale were used to repay the asset-backed notes associated with the transaction with the excess representing a gain on sale included in other operating income within the consolidated statements of activities.

The consolidated financial statements include AccessLex Institute, LRT, 2010-A, Agility, 2013-1, 2015-1, LawyerMetrix, LLC, and Helix.

Basis of Accounting and Principles of Consolidation

The consolidated financial statements of the Company are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) which requires reporting on the accrual basis of accounting. In accordance with Accounting Standards Codification (ASC) 958-810, the Company consolidates all entities for which it has control and an economic interest. All intercompany accounts have been eliminated.

Basis of Presentation

The Company follows the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Income and expenses related to the Company’s investments, at fair value, are classified on the consolidated statements of activities as nonoperating revenues and expenses. Income and expenses from all other business activities are classified as operating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial reporting standards require that net assets and revenues, expenses, gains and losses be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Company and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Company's management and the board of directors.
>
> *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds 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. Expenses are generally reported as decreases in net assets. Expirations of donor-imposed stipulations, if any, that simultaneously increase net assets without donor restrictions and decrease net assets with donor restrictions are reported as reclassifications between the classes of net assets.

The Company has no net assets with donor restrictions.

Income Taxes

The Company is a nonprofit corporation that qualifies as a tax-exempt organization under Section 501(c)(3) of the Code. In addition, the Company has been determined by the IRS not to be a private foundation within the meaning of Section 509(a) of the Code.

The Company accounts for uncertainties in income taxes based on a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Company has no uncertain tax positions meeting the threshold. The Company remains subject to federal, state and local income tax examinations for the year ended March 31, 2022 to the present.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts and cash management accounts. Cash pledged as collateral for asset-backed notes (as described in Note 10) is excluded from cash and cash equivalents and is included in restricted cash and cash equivalents (as described in Note 2) on the consolidated statements of financial position.

Investments

The Company carries investments at fair value. Interest and dividends from investments, as well as realized and unrealized gains and losses, are recorded as nonoperating revenue within investment returns in the consolidated statements of activities. Investments may include investments in funds managed by others, which from time to time include cash or cash equivalents waiting to be reinvested. For investments in funds, the Company utilizes the investment's net asset value (NAV) per share as a practical expedient for determining fair value. The Company records investment transactions on their trade date.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Student Loans Receivable

The Company records student loans receivable that it has the intent and ability to hold for the foreseeable future or until maturity or payoff on its consolidated statements of financial position at outstanding principal adjusted for any charge-offs, the allowance for loan losses, any deferred fees or costs on originated loans, and any unamortized premiums or discounts. Once a decision has been made to sell loans not previously classified as held-for-sale, such loans are transferred into the held-for-sale classification and carried at the lower of cost, consisting of principal and deferred costs, or fair value. At the time of transfer into the held-for-sale classification, any amount by which cost exceeds fair value is accounted for as a valuation adjustment on the consolidated statements of activities.

Additional information on the carrying value of student loans receivable may be found in Note 4. For additional information related to the Company’s accounting policies for loans securitized in the 2010-A securitization, refer to Note 5.

The allowance for loan losses represents the Company's estimate of expected credit losses over the remaining life of the related loans, net of expected recoveries. Expected recoveries include projected recoveries on previously charged off loans and loans expected to be charged off pursuant to the Company's policy. The Company’s policy is to charge off delinquent private loans by the end of the month in which the account becomes 180 days contractually past due. The Company records current period recoveries on loans previously charged off in the allowance for loan losses. For additional information related to the allowance for loan losses, refer to Note 6.

Deferred Costs

Deferred costs consist of origination and lender fees paid to the U.S. Department of Education (DOE) on federally guaranteed student loans originated by the Company, premiums paid in the acquisition of student loans, and certain origination expenses incurred to originate student loans. The Company utilizes the interest method to amortize deferred costs as an adjustment to interest expense, taking into account actual loan prepayments. Additionally, the Company has financing expenses incurred in issuing debt, which are deferred and amortized over the life of the applicable debt.

Property, Equipment and Capitalized External Use Software

Property, equipment and capitalized external use software are carried at cost less accumulated depreciation. Depreciation on property, equipment and capitalized external use software is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the asset.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property, Equipment and Capitalized External Use Software – Continued

The Company also capitalizes costs incurred to develop major new software systems and to build the content associated with its Helix product(s). The estimated useful lives of property, equipment and capitalized external use software currently in use are as follows:

Helix comprehensive programs	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer hardware and electronic equipment	3 years
Major software systems	5-7 years
Other computer software	3 years

Expenditures and betterments that enhance property values are capitalized, while maintenance and repairs are expensed when incurred. Estimated useful lives are subject to reconsideration when prompted by changes in operations or industry conditions or when otherwise considered appropriate. If the future benefit to be provided by certain property, equipment and capitalized external use software has significantly changed, an impairment loss is recognized. For additional information related to property, equipment and capitalized external use software, refer to Note 7.

Revenue Recognition

Interest income is recognized when earned, includes Special Allowance Payments (SAP), and is presented net of consolidation rebate fees. SAP represents payments made to, or received from, the DOE for the difference between a prescribed interest rate, as determined by the DOE for the applicable period, and the actual interest rate charged to the student loan borrower(s). Monthly consolidation rebate fees are paid to the DOE based on a fixed rate and are applicable to loan balances consolidated by the Company's borrowers. Loan fees assessed on private loans are recorded as deferred income and recognized as an adjustment to interest income over the life of the loans. Loan origination fees received for origination activities performed in conjunction with a bank for loans subsequently purchased by the Company are also recorded as deferred income and recognized as an adjustment to interest income over the life of the loans to the extent the Company ultimately takes title to the loans. The Company utilizes the interest method to amortize deferred income, taking into account actual loan prepayments. Registration, service fee and trust administration revenue is recognized when the related services are performed.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on benefits derived.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including but not limited to the allowance for loan losses (as described in Note 6) and fair value of investments (as described in Note 9), the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Loans Securitized

The Company's securitizations that do not meet the accounting requirements for a sale in accordance with ASC 860-10-40-5 are accounted for as secured borrowings, and the transferred assets are consolidated in the Company's consolidated financial statements. These transactions are referred to as on-balance sheet securitizations. The Company's on-balance sheet securitization transactions are collateralized by certain of its student loans, which are recorded in student loans receivable, and by accrued interest on the student loans, restricted cash and cash equivalents.

Leases

The Company recognizes leases with an initial term longer than 12 months on the statements of financial position. For additional key information related to the Company's leasing arrangements, refer to Note 11.

New Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs). ASUs were assessed and determined to be either not applicable or are expected to have minimal impact on the consolidated financial statements eliminating any need for additional disclosure.

NOTE 2 – RESTRICTED CASH AND CASH EQUIVALENTS

Pledged funds created from the issuance of notes secured by student loans (as described in Note 10), repayments of student loans by borrowers, and receipts of subsidy payments from the DOE are used for the payment of principal and interest on notes, for the payment of loan fees and administrative costs. In addition, through November 2025 certain funds were held in a Delaware statutory trust (as described in Note 1) and were pledged for the payment of loan default claims on certain private student loans. As of December 2025, the Company no longer holds any pledged assets to pay default claims.

Restricted cash and cash equivalents are invested in high-quality, short-term financial instruments.

Restricted cash and cash equivalents consist of the following at March 31, 2026 and 2025 (in thousands):

	2026	2025
Accounts pledged to financings	$ 23,601	$ 39,316
Accounts pledged to pay default claims	-	2,456
Total	$ 23,601	$ 41,772

NOTE 3 – INVESTMENTS

Investment balances by category, at fair value, consist of the following at March 31, 2026 and 2025 (in thousands):

	2026	2025
U.S. Large Cap Equities	$ 315,616	$ 304,316
U.S. Small Cap Equities	37,223	39,872
Fixed Income Funds	39,767	11,533
International, excluding U.S. Equities	153,513	147,841
Hedged Equities	162,139	127,607
Absolute Return	123,092	111,982
Emerging Market Equity Funds	63,117	56,222
Privates	143,864	121,115
	$ 1,038,331	$ 920,488

NOTE 4 - STUDENT LOANS

The Company's loan portfolio includes both Federal Family Education Loan Program (FFELP) loans originated for the Company's own account and private loans that the Company originated for a bank and subsequently purchased under various agreements. The Company suspended loan origination activities as of June 30, 2010. During the fiscal year ended March 31, 2026, the Company exercised a series of five clean-up calls available on certain of its private loan on-balance sheet securitization transactions. Following the clean-up calls, the remaining asset-backed notes associated with these securitization transactions were paid off in full and the underlying student loan collateral became wholly owned by the Company. Excluding the Company's wholly owned student loans and related accrued interest thereon, all other student loans and related accrued interest remain pledged for the payment of related student loan asset-backed notes that remain outstanding.

Interest incurred when the borrowers are in school is recorded as interest income and accrued interest receivable. When the borrowers enter repayment, the accrued interest receivable is added to the loan principal, reducing the accrued interest receivable.

Net student loans receivable, at carrying value, consist of the following at March 31, 2026 and 2025 (in thousands):

	2026	2025
FFELP loans	$ 354,554	$ 404,616
Private loans	45,467	55,637
Private loans – wholly owned	34,694	62,234
Student loans receivable, gross	434,715	522,487
(Less) plus deferred income and costs:		
Deferred origination income	(72)	(130)
Premiums paid for student loans	-	75
Deferred loan fees	-	(145)
Deferred origination costs	5,006	5,553
Less allowance for loan losses	(24,993)	(25,618)
Student loans receivable, net	$ 414,656	$ 502,222

NOTE 5 - 2010-A ON-BALANCE SHEET SECURITIZATION

On June 7, 2010, the Company completed a securitization collateralized by student loans, which was accounted for as a financing. Because the securitization was not treated as a sale, the related assets were recorded at their carrying amount in student loans receivable as of that date in the amount of $546.8 million, with associated debt of $551.2 million.

Loans

Through March 31, 2023, the Company applied ASC 310-30, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*, to these securitized loans resulting in no allowance for loan losses associated with the loans. The Company estimated the amount and timing of expected principal and interest and treats the loans as a single pool of assets. Individual accounts were not added to or removed from the pool once established. The Company determined the excess of the loan pool's contractually required payments over cash flows expected at the time of the transaction as an amount that should not be accreted (nonaccretable difference). The remaining amount, representing the excess of the cash flows expected to be collected over the carrying value of the transferred loans, was accreted into income over the remaining estimated life of the pool (accretable yield).

Significant increases in actual or expected future cash flows were recognized prospectively, through an upward adjustment of the accretable yield, over the loan pool's remaining life. Under ASC 310-30, rather than lowering the estimated yield if the collection estimates were not received or projected to be received, the carrying value of the loans were written down to maintain the then-current yield and were shown as a reduction in interest income in the consolidated statements of activities with a corresponding valuation allowance offsetting student loans receivable, net, on the consolidated statements of financial position.

The following table details information about the loans that were accounted for in accordance with ASC 310- 30 at the date of transfer, June 7, 2010 (in thousands):

Contractually required principal and interest at transfer	$ 1,092,544
Contractual cash flows not expected to be collected (nonaccretable difference)	184,781
Expected cash flows at transfer	907,763
Interest component of expected cash flows (accretable discount)	360,942
Carrying value of transferred loans accounted for under ASC 310-30	$ 546,821

On April 1, 2023, the Company adopted ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which required a reforecast of the loan pool's remaining future cash flows expected at the time of the adoption. Contractual cash flows not expected to be collected represent an amount that should not be accreted (nonaccretable difference) and establish an initial allowance for loan loss. The remaining amount, representing the excess of the cash flows expected to be collected over the carrying value at the date of adoption, is accreted into income over the remaining estimated life of the pool (accretable yield).

Under ASU 2016-13, significant changes in actual or expected future cash flows are recognized prospectively, through an adjustment to the allowance for loan loss. The provision for loan losses is determined based on remeasurement of the allowance for loan loss (nonaccretable difference) at each reporting date, which is determined based on an updated projection of estimated cash flows discounted at the effective interest rate for the pool.

NOTE 5 - 2010-A ON-BALANCE SHEET SECURITIZATION - Continued

The following table shows the balances of loans that are accounted for in accordance with ASU 2016-13, and the restricted cash balances associated with the transactions (together carrying amount), at March 31, 2026 and 2025, respectively (in thousands):

	2026	2025
Carrying amount	$ 24,976	$ 35,782

The carrying amounts of $25.0 million at March 31, 2026 includes $20.5 million of student loans receivable and $4.5 million of restricted cash in the consolidated statement of financial position. The carrying amount of $35.8 million at March 31, 2025 includes $30.0 million of student loans receivable and $5.8 million of restricted cash in the consolidated statement of financial position.

The following table presents changes in the accretable discount on the loans, for which the Company applied ASU 2016-13 for the years ended March 31, 2026 and 2025, respectively (in thousands):

	2026	2025
Balance, beginning of the year	$ 17,046	$ 23,806
Interest payments on loans	2,880	4,722
Accretion	(8,448)	(11,482)
Balance, end of the year	$ 11,478	$ 17,046

Debt

The 2010-A securitization resulted in asset-backed floating rate notes (Class A notes) with a par value of $463.5 million, which were sold for $453.0 million, and membership interest certificates (Class R certificates) with a par value of $100, which were sold for $98.2 million, for total proceeds of $551.2 million.

The Class A notes were recorded at $453.0 million, reflecting the face value of the notes and a $10.5 million discount. The Company recorded interest expense on the Class A notes using the effective-interest method. The Class A notes were repaid in full effective January 2023.

The Class R certificates represent an interest in the residual cash flows of the securitized assets, were subordinated to the Class A notes, and were initially recorded at $98.2 million. These Class R certificates do not bear any contractual interest. The amount by which the expected payout of the Class R certificates exceeds the carrying amount is accounted for as an adjustment to yield (interest expense). As the projected cash flows change over the life of the student loans and, therefore, the amount of the expected repayment of the debt changes, the Company will adjust the interest expense recognized in the current period and prospectively, consistent with a change in estimate.

NOTE 5 - 2010-A ON-BALANCE SHEET SECURITIZATION - Continued

The following table presents changes in the carrying value of the Class R certificates, for the years ended March 31, 2026 and 2025 (in thousands):

	2026	2025
Balance, beginning of the year	$ 30,912	$ 46,390
Debt accretion	8,005	8,519
Distributions	(19,299)	(23,997)
Balance, end of the year	$ 19,618	$ 30,912

The balances are included in asset-backed notes, as described in Note 10, on the consolidated statements of financial position.

NOTE 6 - ALLOWANCE FOR LOAN LOSSES

The methodology for measuring the appropriate level of the allowance consists of several elements. The Company regularly performs a migration analysis of delinquent and current accounts. A migration analysis is a technique used to estimate the likelihood that a loan receivable will progress through the various delinquency stages and ultimately charge-off over its expected life. In determining the allowance for loan losses, past collection experience, delinquency and charge-off trends, size of the portfolio, economic conditions and other factors are considered.

Projected expected credit losses are considered net of recoveries on existing and estimated future loans to be charged-off when arriving at an appropriate allowance. Projected recoveries are estimated using recent recovery results applied to the Company's historical net uncollected defaulted private loan balance. Projected recoveries are calculated by cohort (year of charge-off) with discounts applied to earlier cohorts and on an overall go-forward basis. Significant changes in these factors could impact the allowance and provision for loan losses. The evaluation of the allowance for loan losses is inherently subjective as it requires material estimates that may be subject to change. The Company evaluates its allowance for loan losses for the FFELP student loan portfolio, which is federally guaranteed at no less than 97% of principal and interest, and for its private student loan portfolio. The federal guarantee is dependent upon the Company's compliance with specified FFELP requirements.

The student loan portfolio is disaggregated to a level of portfolio segment. A portfolio segment is defined as the level at which an entity develops and documents a systematic methodology to determine its allowance for credit losses. Management has determined that the following student loan portfolios meet the definition of a portfolio segment:

- FFELP student loan portfolio;
- Private student loan portfolio; and
- 2010-A on-balance sheet securitization (refer to Note 5)

The adequacy of the allowance for loan loss specific to 2010-A, treated as a single pool of assets, is reevaluated at each reporting date through comparison of the current carrying value to updated cash flow forecasts discounted at the effective interest rate. Cash flow projections utilized by the Company are based on the contractual cash flows of the loans receivable as adjusted for prepayment and default assumptions. Delinquency on the 2010-A balances past due 30+ days was 7.12% and 5.96% as of March 31, 2026 and 2025, respectively.

NOTE 6 - ALLOWANCE FOR LOAN LOSSES - Continued

A summary of changes in the allowance for loan losses for the years ended March 31, 2026 and 2025 follows (in thousands):

	2026			
	FFELP	Private	2010-A	Consolidated
Balance, beginning of year	$ 570	$ (570)	$ 25,618	$ 25,618
Provision for loan losses	(23)	(2,395)	(625)	(3,043)
Charge-offs (includes accrued interest):				
Gross charge-offs	(97)	(1,077)	-	(1,174)
Recoveries	-	3,592	-	3,592
Net (charge-offs) recoveries	(97)	2,515	-	2,418
Balance, end of year	$ 450	$ (450)	$ 24,993	$ 24,993

	2025			
	FFELP	Private	2010-A	Consolidated
Balance, beginning of year	$ 820	$ (820)	$ 23,591	$ 23,591
Provision for loan losses	(43)	(1,898)	2,027	86
Charge-offs (includes accrued interest):				
Gross charge-offs	(207)	(1,596)	-	(1,803)
Recoveries	-	3,744	-	3,744
Net (charge-offs) recoveries	(207)	2,148	-	1,941
Balance, end of year	$ 570	$ (570)	$ 25,618	$ 25,618

Student Loan Status and Delinquencies

The following tables show outstanding balances of FFELP and Private student loan portfolio segments, including accrued interest, by repayment and delinquency status at March 31, 2026 and 2025 (in thousands):

	FFELP March 31, 2026			FFELP March 31, 2025		
	Outstanding balance	% of repayment loans	% of total	Outstanding balance	% of repayment loans	% of total
In school/grace/deferment (a)(b)(c)	$ 5,136		1.4%	$ 5,928		1.4%
Forbearance (d)	8,668		2.3%	9,451		2.3%
Repayment: (e)						
Current	338,035	94.8%		384,538	94.9%	
Delinquent 30-59 days	5,092	1.4%		7,641	1.9%	
Delinquent 60-89 days	4,985	1.4%		4,007	1.0%	
Delinquent 90 days or greater	8,537	2.4%		8,975	2.2%	
Total in repayment	356,649	100.0%	96.3%	405,161	100.0%	96.3%
Total	$ 370,453		100.0%	$ 420,540		100.0%

NOTE 6 - ALLOWANCE FOR LOAN LOSSES - Continued

(a) In School - Borrower is currently enrolled in school on at least a half-time basis.

(b) In Grace - The period between separation from school (whether by graduation or otherwise) and entry into repayment. This period has a duration of six months for FFELP loans.

(c) Deferment - This category identifies FFELP loans which would otherwise be in repayment but are not due to events associated with the borrower that FFELP servicing guidelines identify as qualifying for a mandatory period of no payments being required.

(d) Forbearance - These are periods during which no payments are required on loans which would otherwise be in repayment and are granted at the lender's discretion. Reasons for forbearance include medical and dental residency programs, economic hardship (generally for no more than 36 months during the lifetime of the loan), natural disasters, and re-enrollment in school on at least a half-time basis if the period of separation lasted longer than the grace period for the loans.

(e) Repayment - If a required payment is not made by a payment due date, this counter is incremented by one day for each day that has elapsed from the earliest payment due date for which any portion of the required payment remains unpaid (e.g., if a borrower failed to make the required $100 payment on or before May 1 and then made a $75 payment on June 6, the loan would remain 36 days delinquent because there is still a $25 payment amount owed for May 1, along with a $100 payment due for June 1). At approximately 270 days' delinquent, claims are filed with the applicable guarantee agency for payment of the insured amount and collection activity ceases even though the delinquency counter continues. Once payment is received from the guarantor, the remaining loan balance (which is 3% or less of the claim amount) is written off against the Company's loan loss reserve.

	Private March 31, 2026			Private March 31, 2025		
	Outstanding Balance	% of Repayment Loans	% of Total	Outstanding Balance	% of Repayment Loans	% of Total
In school/grace/deferment (a)(b)	$ 455		1.3%	$ 438		0.7%
Forbearance (c)	1,061		3.0%	1,130		1.8%
Repayment: (d)						
Current	31,234	92.5%		57,243	93.2%	
Delinquent 30-59 days	1,025	3.0%		2,002	3.3%	
Delinquent 60-89 days	470	1.4%		769	1.3%	
Delinquent 90 days or greater	1,045	3.1%		1,380	2.2%	
Total in repayment	33,774	100.0%	95.7%	61,394	100.0%	97.5%
Total	$ 35,290		100.0%	$ 62,962		100.0%

(a) In School - Borrower is currently enrolled in school on at least a half-time basis.

(b) In Grace - The period between separation from school (whether by graduation or otherwise) and entry into repayment. This period has a duration of nine months for Private loans.

NOTE 6 - ALLOWANCE FOR LOAN LOSSES - Continued

(c) Forbearance - These are periods during which no payments are required on loans which would otherwise be in repayment and are granted at the lender's discretion. Reasons for forbearance include medical and dental residency programs, economic hardship (generally for no more than 12 months during the lifetime of the loan), natural disasters, and re-enrollment in school on at least a half-time basis if the period of separation lasted longer than the grace period for the loans.

(d) Repayment - If a required payment is not made by a payment due date, this counter is incremented by one day for each day that has elapsed from the earliest payment due date for which any portion of the required payment remains unpaid (e.g., if a borrower failed to make the required $100 payment on or before May 1 and then made a $75 payment on June 1, the loan would remain 36 days delinquent because there is still a $25 payment amount owed for May 1, along with a $100 payment due for June 1).

NOTE 7 – PROPERTY, EQUIPMENT AND CAPITALIZED EXTERNAL USE SOFTWARE

Property, equipment and capitalized external use software (included in other assets on the consolidated statements of financial position) consists of the following at March 31, 2026 and 2025 (in thousands):

	2026	2025
Computer software	$ 698	$ 392
Computer hardware and electronic equipment	197	180
Furniture and fixtures	366	366
Leasehold improvements	114	114
Helix comprehensive programs	5,397	5,397
Other	115	115
	6,887	6,564
Accumulated depreciation	(2,736)	(2,056)
Net property, equipment and capitalized external use software in service	4,151	4,508
Capitalized costs in process	3,483	1,517
Total property, equipment and capitalized external use software, net	$ 7,634	$ 6,025

Capitalized costs in process consist of costs incurred through March 31, 2026 and 2025 to develop major new software systems and for the development of content associated with the Helix product(s) not yet placed into service.

$0.2 million and $4.3 million of fully depreciated property, equipment and capitalized external use software were written off or disposed during the years ended March 31, 2026 and 2025, respectively. As of March 31, 2025, the Helix state specific comprehensive programs were considered impaired and the remaining net book value of both were reduced to a carrying amount of zero. A $3.3 million impairment loss is included in program service expenses within the consolidated statement of activities for the year ended March 31, 2025.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Company maintains a defined contribution pension plan (the Plan) covering all eligible employees. The Plan is funded through individually owned assets, such as mutual funds. Contributions made to the Plan by the Company are equal to 6% of each participant's base salary up to applicable statutory limits, with an additional matching contribution of up to 2% of the participant's base salary. Participants are eligible to receive employer contributions after having completed one year of service. The Company's contribution to the Plan totaled $1.1 million and $1.0 million for years ended March 31, 2026 and 2025, respectively. Employees must meet certain eligibility requirements to participate in the Plan. Participants are fully and immediately vested.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses estimates of fair value in applying various accounting standards for its consolidated financial statements. The estimated fair values have been determined by the Company using available market information and other valuation methodologies as described below.

Investments - If available, fair values of investments are determined using quoted prices in active markets for identical investments (Level 1 valuation). For those investments without a readily determined fair value, the Company utilizes the investment's NAV per share as a practical expedient for determining fair value. The Company is not required to categorize these investments within the fair value hierarchy.

The Company determines fair value using valuation techniques that are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

These two types of inputs create the following fair value hierarchy:

- Level 1 Quoted prices for identical instruments in active markets;
- Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose primary values are observable;
- Level 3 Instruments whose primary value drivers are unobservable.

The position in the fair value hierarchy for an asset or liability is based on the lowest level input that is significant to the fair value measurement.

Items Measured at Fair Value on a Recurring Basis

The following tables present the Company's financial assets that are measured at fair value on a recurring basis for each of these hierarchy levels at March 31, 2026 and 2025 (in thousands). The Company does not have any financial liabilities that are measured at fair value on a recurring basis.

	2026			
	Level 1	Level 2	Level 3	Total
Assets:				
U.S. Large Cap Equities	$ 296,292	$ -	$ -	$ 296,292
Fixed Income Funds	39,767	-	-	39,767
Total investments measured at fair value	$ 336,059	$ -	$ -	$ 336,059

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	2025			
	Level 1	Level 2	Level 3	Total
Assets:				
U.S. Large Cap Equities	$ 292,928	$ -	$ -	$ 292,928
Fixed Income Funds	11,533	-	-	11,533
International Equity Funds ex-U.S. Equities	28,765	-	-	28,765
Total investments measured at fair value	$ 333,226	$ -	$ -	$ 333,226

Certain investments measured at NAV per share as a practical expedient for determining fair value have been excluded from the table.

As of March 31, 2026, the Company had $702.3 million of investments where fair values are based upon the investments' NAV. As of March 31, 2026 and 2025, the fair value of investments valued using NAV was (in thousands):

	Fair Value	
	2026	2025
Global Closed-End Fund (a)	$ 59,509	$ 51,623
Global ex-U.S. Equity Funds (b)	94,004	67,453
Quantitative Directional Hedge Fund (c)	51,625	44,894
Distressed/Restructuring Hedge Funds (d)	433	433
Equity Long/Short Hedge Funds (e)	162,139	127,607
Special Situations Hedge Funds (f)	71,034	66,655
Private Equity, Middle Market (g)	28,529	24,610
Private Credit Fund (h)	25,397	26,437
Private Secondary Fund (i)	24,397	12,375
U.S. Small Cap Equities (j)	37,223	39,872
Emerging Market Equity Funds (k)	63,117	56,222
Private Equity Fund (l)	55,965	49,125
U.S. Private Real Estate Fund (m)	9,576	8,568
U.S. Large Cap Equities (n)	19,324	11,388
	$ 702,272	$ 587,262

(a) The Global Closed-End Fund class consists of one fund that invests in global closed-end mutual funds and is redeemable at the end of each month, with a 10-day notice.

(b) The Global ex-U.S. Equity Fund class consists of one fund that invests in equities outside of the United States and is redeemable twice a month (1st and 15th), with a 9-day notice.

(c) The Quantitative Directional Hedge Fund class consists of one fund that invests primarily in equities, market indices, options, currencies and forwards/futures using signal based strategies. The fund is redeemable monthly with a 5-day notice.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

(d) The Distressed/Restructuring Hedge Fund consists of one fund. The fund has been liquidated and is in the process of winding down, with the remaining illiquid portion of the investment being returned at the fund manager's discretion.

(e) The Equity/Long Short Hedge Fund class consists of five hedge funds that invests in both long and short stocks. One fund is subject to a one-year lock-up period with redemptions at the end of the calendar year with 90-day notice. The lock-up period for the remaining four funds has expired and redemption is available quarterly with 45-day or 90-day notice, subject to limitations.

(f) The Special Situations Hedge Fund class consists of five hedge funds that invests in a wide range of strategies including merger arbitrage, convertible arbitrage, long/short equities and credit, distressed securities, and bankruptcy reorganizations. Redemptions require notice ranging from 5-day, 90-day, semi-annually, or annually. There are no active lock up periods associated with any of the funds.

(g) The Private Equity, Middle Market Fund class consists of six funds that invests in U.S. middle market private equity growth and buy-out opportunities. Each fund has a 10-year term with a 5-6 year investment period all having commenced after January 2020.

(h) The Private Credit Fund class consists of 10 private funds that are 4-5 years in duration. Most carry extension options that are available at the sole discretion of the general partner, none of which have been exercised through the date that these financial statements were available to be issued.

(i) The Private Secondary Fund class consists of four funds that have an initial investing period of 10 years in duration, all having commenced after November 2019. Two of the funds have an option to add another 3 years to the harvesting period (at the manager’s discretion).

(j) The U.S. Small Cap Equities class consists of two funds investing in both public and private companies. The lock-up period for the funds has expired. Redemption for one fund is available quarterly with 90-day notice. The other fund is redeemable annually with 120-day notice.

(k) The Emerging Markets Equity Fund class consists of two funds which invests in emerging market stocks in various global markets. There are no active lock up periods associated with any of the funds. Redemption for one fund is available at the end of the calendar year with 60-day notice. The other fund requires 3-day notice.

(l) The Private Equity Fund class consists of ten funds which invests in growth-oriented domestic and global private companies. One fund invests in public investments, drawing down capital from this pool to invest in privates as needed. This "hybrid" fund has a 24-month lock-up period with capital withdrawals available on 90-day notice, on the investment anniversary date. Seven of the remaining funds have 10 year terms, subject to extension. While one fund has a 13 year term and one fund has a 15 year term, both subject to extension.

(m) The U.S. Private Real Estate Fund consists of two funds that have a 10 year duration (investment period), with intermittent distributions at the manager's discretion.

(n) The U.S. Large Cap Equities class consists of one fund investing in public companies. The lock-up period for the fund has expired and redemption is available quarterly with 45-day notice, subject to limitations.

NOTE 10 - ASSET-BACKED NOTES

Long-Term Debt Offerings

The Company has issued debt through numerous public and private offerings to obtain permanent financing for the student loans originated or acquired under a credit facility and to purchase student loans originated by the Company on behalf of a bank. The student loan asset-backed notes issued are limited obligations of the Company, payable solely from the trust estates created under the indentures of trust. The following table summarizes, by type of notes, the amounts outstanding and interest rates at March 31, 2026 and 2025 (in thousands):

	Carrying amount at March 31, 2026	Interest rates at March 31, 2026	Carrying amount at March 31, 2025	Interest rates at March 31, 2025
Auction rate notes:				
Interest bearing due 2035 - 2037 (1)	$ 160,600	3.66% - 3.92%	$ 202,500	4.31% - 5.94%
Floating rate notes:				
SOFR based due 2032 - 2058	145,316	4.16% - 5.28%	214,368	4.83% - 5.95%
Class R certificates:				
Due 2044 (2)	19,618		30,912	
Total	$ 325,534		$ 447,780	

(1) Auctions have continuously failed during these time periods. When an auction fails, ARN rates are set using contractual terms based on one of the following: (a) market interest rates (plus the Tenor Spread Adjustment, when applicable), (b) a one-year average of 13-week US treasury bill rates or (c) transaction specific financing costs.

(2) Certificates represent an interest in the residual cash flows of the 2010-A securitized assets and do not bear any contractual interest. Refer to Note 5 for the Company's accounting policy related to these certificates.

At March 31, 2026, the Company had outstanding debt with the following maturities (in thousands):

Fiscal year maturity	Amounts maturing
2027	$ 3,706
2028	3,233
2029	2,811
2030	2,433
2031	1,221
2032 - 2058	392,763
	$ 406,167

The amounts maturing do not include unamortized bond discount of $3.0 million and accumulated debt accretion of $77.6 million.

The pledged funds created from all issuances of notes are recorded as restricted cash and cash equivalents on the consolidated statements of financial position. The Company is subject to certain covenants under the indentures, and management believes it is in compliance with these covenants at March 31, 2026. These financings were recorded by the Company as secured borrowings with the pledge of collateral.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company's lease portfolio was comprised of two office space leases, now limited to one as of March 31, 2026.

The Company leases office space for its corporate office in West Chester, Pennsylvania. The lease term expires in May 2030. The renewal and termination options are not included in the right-of-use ("ROU") asset balance as it is not reasonably certain to be exercised. The ROU asset is a balance sheet representation of a lessee's right to use a leased asset over the course of the lease term. The Company has elected not to recognize an ROU asset or lease liability for leases with an initial term of 12 months or less. Certain equipment leases have not been included in ROU asset due to short term nature of initial lease terms and other factors.

The Company commenced an 11-year noncancelable lease for office space in Washington, D.C. During the year ended March 31, 2022, the Company ceased its operations from this location. In September 2021, the Company executed a sublease with a third-party subtenant through August 2025, the scheduled maturation date of the head lease. Rents received from the subtenant through August 2025 were included in other operating income within the consolidated statement of activities. The lease and sublease both expired effective August 31, 2025.

The following table presents balance sheet amounts and classification information related to the Company's remaining operating lease (in thousands):

Assets			
	Operating lease right-of-use asset included in *Other assets*	$	1,302
Liabilities			
	Operating lease liability included in *Other liabilities*	$	(1,335)
Remaining operating lease term:			4.2 Years
Operating lease discount rate:			2.46%

Maturities of lease liability as of March 31, 2026, are as follows (in thousands):

		Operating Lease
2027	$	336
2028		341
2029		347
2030		352
2031		29
Total lease payments		1,405
Less: imputed interest		(70)
Total lease obligations	$	1,335

Total operating lease expense was $0.6 million and $0.8 million for the years ended March 31, 2026 and 2025, respectively.

NOTE 12 - FUNCTIONAL EXPENSE ANALYSIS

The following tables present expenses by both their nature and their function for the years ended March 31, 2026 and 2025 (in thousands):

	2026		
	Program services	Management and general	Total expenses
Personnel expense	$ 13,173	$ 6,085	$ 19,258
Computer and office equipment	2,058	559	2,617
Loan servicing	1,100	-	1,100
Recovery expense	1,195	-	1,195
Occupancy	461	160	621
Grants to other organizations	3,242	-	3,242
Services and professional fees	1,164	1,072	2,236
Advertising and promotional	3,499	32	3,531
Other expenses	2,694	210	2,904
Total expenses	$ 28,586	$ 8,118	$ 36,704

	2025		
	Program services	Management and general	Total expenses
Personnel expense	$ 13,055	$ 5,998	$ 19,053
Computer and office equipment	1,926	493	2,419
Loan servicing	1,285	-	1,285
Recovery expense	1,149	-	1,149
Occupancy	646	191	837
Grants to other organizations	2,854	-	2,854
Services and professional fees	1,109	1,002	2,111
Advertising and promotional	3,121	43	3,164
Other expenses	6,377	216	6,593
Total expenses	$ 31,522	$ 7,943	$ 39,465

NOTE 13 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year are as follows as of March 31, 2026 (in thousands):

Cash and cash equivalents	$	7,578
Liquid investments		869,328
Total	$	876,906

As part of the Company's liquidity management, it has a policy to maintain an approximate balance of $7.5 million in operating cash. Cash received from operations in excess of this amount is invested within the investment portfolio each month consistent with the Company's investment policy statement. To monitor which portion of the overall investment portfolio can be made available to supplement any operating cash shortfalls, management maintains a liquidity percentage for the overall investment portfolio. The Company considers investments that are available for redemption within a one year period to be liquid. Investments that are subject to lock-up provisions that expire beyond a one year period are considered illiquid and are not included in the investment balance disclosed above (see Note 9 for disclosures on the Company's investments).

As disclosed in Note 1, the Company has no net assets with donor restrictions.

NOTE 14 - LITIGATION

From time to time, the Company may be a defendant in legal proceedings arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company’s consolidated financial position, activities or liquidity.

NOTE 15 - RELATED PARTIES

The Company has several board members who serve in various capacities at educational institutions where the Company conducted its student lending business and provides other mission-related products and services.

The Company serves as trust administrator for three unconsolidated subsidiary trusts. The Company received $0.1 million in administrative fees from these trusts in accordance with the respective trust agreements during both years ended March 31, 2026 and 2025. These fees are included in other operating income within the consolidated statements of activities.

The Company paid grants to its member law schools totaling $1.3 million and $1.4 million for the years ended March 31, 2026 and 2025, respectively.

NOTE 16 - SUBSEQUENT EVENTS

The Company evaluated subsequent events through July 1, 2026 the date which the consolidated financial statements were available to be issued.