KENYON COLLEGE

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2024

MALONEY + NOVOTNY LLC

KENYON COLLEGE

CONTENTS

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Independent Auditors' Report

The Board of Trustees
Kenyon College
Gambier, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Kenyon College (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Kenyon College as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Kenyon College's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Kenyon College's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Maloney + Novotny LLC

Cleveland, Ohio
October 24, 2024

KENYON COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024
(With Comparative Totals as of June 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 41,847,152	$ 39,370,910
Investments	631,255,485	573,848,227
Accounts and interest receivable	5,533,213	5,276,287
Inventories	1,218,533	1,013,286
Present value of pledges receivable	23,834,016	39,000,469
Loans receivable, net of allowance of $40,000	3,797,142	4,103,589
Interests in charitable trusts	3,524,673	3,053,396
Property and equipment, net	485,490,117	441,309,162
Other assets	6,801,824	4,830,384
Total assets	$ 1,203,302,155	$ 1,111,805,710
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable, accrued expenses and agency funds	$ 9,938,349	$ 8,409,006
Fair value of interest rate swaps	724,657	1,099,696
Deposits and advances	2,565,282	3,038,313
Liability for post-retirement benefits	7,153,174	6,367,326
Split interest agreements payable	9,841,837	5,612,028
Government loan funds	55,512	143,676
Bonds payable	260,303,093	262,827,650
Total liabilities	290,581,904	287,497,695
NET ASSETS		
Without donor restrictions	429,848,959	407,972,659
With donor restrictions	482,871,292	416,335,356
Total net assets	912,720,251	824,308,015
Total liabilities and net assets	$ 1,203,302,155	$ 1,111,805,710

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

KENYON COLLEGE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
OPERATING REVENUES				
Tuition and mandatory fees	$ 125,468,001		$ 125,468,001	$ 123,986,133
Less: Financial aid	(59,908,950)		(59,908,950)	(57,180,232)
Net tuition and mandatory fees	65,559,051		65,559,051	66,805,901
Auxiliary enterprise revenues	32,236,009		32,236,009	32,331,310
Investment return designated for operations	14,669,425	$ 13,398,590	28,068,015	26,662,284
Private gifts and grants	5,831,105	5,387,146	11,218,251	16,620,400
Government grants	1,861,145		1,861,145	3,193,955
Miscellaneous fees	174,243		174,243	176,965
Other income	1,240,381	182,192	1,422,573	1,254,841
Net assets released from restrictions	15,923,788	(15,923,788)	-	-
Total operating revenues	137,495,147	3,044,140	140,539,287	147,045,656
OPERATING EXPENSES				
Program services				
Instruction	52,525,743		52,525,743	48,225,700
Student services	29,066,277		29,066,277	28,462,128
Academic support	14,640,787		14,640,787	14,048,439
Research	1,035,624		1,035,624	1,199,108
Community partnership	358,766		358,766	382,008
Auxiliary enterprises	28,052,798		28,052,798	25,947,048
Total program services	125,679,995		125,679,995	118,264,431
Management and general	15,478,239		15,478,239	13,324,331
Fundraising	5,346,040		5,346,040	5,048,020
Total operating expenses	146,504,274		146,504,274	136,636,782
Change in net assets from operating activities	(9,009,127)	3,044,140	(5,964,987)	10,408,874
NON-OPERATING ACTIVITIES				
Contributions and pledges		48,623,510	48,623,510	24,266,631
Investment return, less amounts designated for operations	22,917,994	31,374,063	54,292,057	27,360,225
Change in fair value of interest rate swaps	375,039		375,039	410,394
Loss on early extinguishment of debt			-	(750,408)
Loss on uncollectible promises to give		(10,475,108)	(10,475,108)	-
Net change in split interest agreements	(33,052)	(923,547)	(956,599)	(48,840)
Loss on disposal of property and equipment	(431,786)		(431,786)	(32,602)
Art installation			-	(13,274)
Miscellaneous	2,544,900	405,210	2,950,110	469,139
Net assets released from restrictions	5,512,332	(5,512,332)	-	-
Change in net assets from non-operating activities	30,885,427	63,491,796	94,377,223	51,661,265
CHANGE IN NET ASSETS	21,876,300	66,535,936	88,412,236	62,070,139
NET ASSETS AT BEGINNING OF YEAR	407,972,659	416,335,356	824,308,015	762,237,876
NET ASSETS AT END OF YEAR	$ 429,848,959	$ 482,871,292	$ 912,720,251	$ 824,308,015

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

KENYON COLLEGE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services	Management and General	Fundraising	2024 Total	2023 Total
Salaries and wages	$ 47,835,555	$ 4,632,288	$ 3,307,370	$ 55,775,213	$ 53,255,312
Employee benefits	15,745,984	1,659,617	1,172,677	18,578,278	17,462,339
Total salaries and benefits	63,581,539	6,291,905	4,480,047	74,353,491	70,717,651
Professional and outside services	4,092,163	3,186,243	30,948	7,309,354	5,841,209
Interest and bond costs	10,362,389			10,362,389	10,106,631
Other expenses	4,374,408	3,983,279	226,784	8,584,471	7,062,107
Travel and entertainment	4,850,080	584,334	246,543	5,680,957	4,982,041
Cost of food service	6,096,282			6,096,282	5,517,654
Off Campus Studies program	5,255,047			5,255,047	4,212,827
Rent and utilities	4,369,801	1,360		4,371,161	4,667,995
Equipment and furniture	5,637	9,021	2,378	17,036	472,129
Materials, printing and supplies	2,937,281	203,216	175,127	3,315,624	3,500,558
Fees and honoraria	1,387,097	4,557	38	1,391,692	1,402,995
Cost of sales and inventory	1,767,540			1,767,540	1,828,048
Books and periodicals	288,422			288,422	279,421
Dues and memberships and postage	871,350	333,715	80,859	1,285,924	868,719
Total current operating expenditures	110,239,036	14,597,630	5,242,724	130,079,390	121,459,985
Art installation				-	13,274
Depreciation	15,440,959	880,609	103,316	16,424,884	15,176,797
Total functional expenses	125,679,995	15,478,239	5,346,040	146,504,274	136,650,056
Less:					
Art installation expenses reported in non-operating activities				-	(13,274)
Total expenses	$ 125,679,995	$ 15,478,239	$ 5,346,040	$ 146,504,274	$ 136,636,782

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

KENYON COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 88,412,236	$ 62,070,139
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	16,424,884	15,176,797
Amortization of bond premiums and issuance costs, net	(1,134,557)	(1,333,349)
Change in fair value of interest rate swaps	(375,039)	(410,394)
Loss on disposal of property and equipment	431,785	32,602
Net realized and unrealized gains	(76,318,041)	(46,944,154)
Contributions for long-term purposes	(11,156,803)	(24,204,191)
Changes in operating assets and liabilities:		
Accounts and interest receivable	(256,926)	(2,346,560)
Inventories	(205,247)	(10,900)
Present value of pledges receivable	15,166,453	823,088
Interests in charitable trusts	(471,277)	(225,445)
Other assets	(1,971,440)	75,132
Accounts payable, accrued expenses and agency funds	1,529,343	(2,441,454)
Deposits and advances	(473,031)	(147,490)
Liability for postretirement benefits	785,848	(279,856)
Split interest agreements payable	4,229,809	(311,729)
Government loan funds	(88,164)	(176,712)
Net cash provided (used) by operating activities	34,529,833	(654,476)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land, buildings and equipment	(61,037,624)	(63,782,190)
Purchase of securities	(69,363,597)	(20,642,205)
Sale of securities	141,118,992	61,545,290
Loans receivable	306,447	22,541
Increased investment in limited partnerships	(52,844,612)	(30,518,856)
Net cash used by investing activities	(41,820,394)	(53,375,420)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for long-term purposes	11,156,803	24,204,191
Repayment of bonds payable	(1,390,000)	(1,320,000)
Cash payments for bond retirement	-	(43,610,000)
Proceeds from issuance of bonds	-	41,255,000
Proceeds from premium on bond issuance	-	3,996,435
Payment for bond issuance costs	-	(551,185)
Net cash provided by financing activities	9,766,803	23,974,441
CHANGE IN CASH AND CASH EQUIVALENTS	2,476,242	(30,055,455)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	39,370,910	69,426,365
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 41,847,152	$ 39,370,910

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

Note 1. Summary of Significant Accounting Policies

A. *Organization* – Kenyon College (the College), a private educational institution, derives its revenues from student tuition and fees, investment earnings, gifts and grants, operation of residence and dining halls and related activities. The College is institutionally committed to promoting a liberal arts education. Skills are promoted and developed that are not only useful to any career but essential for a fulfilling and valuable life.

B. *Basis for Consolidation* – The accounts of the Kenyon Inn Management Company, a wholly-owned subsidiary of the College, have been consolidated with the accounts of the College in the accompanying consolidated financial statements. In addition, the accounts of the Kenyon Review, the College's literary periodical, the Gund Gallery, the Kokosing Nature Preserve and the Philander Chase Conservancy (all legally separate entities) have also been consolidated in the accompanying consolidated financial statements of the College due to the College's control of and financial interest in each entity. All significant intercompany accounts and transactions have been eliminated.

C. *Basis of Accounting* – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, and in all material respects, in accordance with generally accepted accounting principles in the United States of America (GAAP).

D. *Comparative Information* – The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the College's audited financial statements as of and for the year ended June 30, 2023, from which the summarized information was derived.

E. *Use of Estimates* – Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. *Liquidity* – Assets and liabilities are listed in their estimated order of liquidity. For those accounts for which such liquidity is unclear, additional disclosures have been made in the accompanying notes within these consolidated financial statements.

G. *Fair Values of Financial Instruments* – GAAP provides a framework for measuring fair value and requires a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements related to financial instruments:

Level 1 – Uses unadjusted quoted prices that are available in active public markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Level 3 – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models and market assumptions. Because Level 3 investments may not be entirely readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been reported had a ready market for such investments existed. Such differences could be material.

The following methods and assumptions were used to estimate the fair values of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents

The carrying amount approximates fair value due to the short maturity of those instruments.

Equity Investments

Common Stocks

The fair values of these investments are estimated based on quoted market prices for these or similar investments, generally considered Level 1 valuations.

Mutual Funds

The fair values of these investments are estimated based on quoted market prices for these or similar investments, generally considered Level 1 valuations.

Fixed Income - Marketable Investments

Fixed income marketable funds are investments where a readily verifiable fair value may or may not exist. Fair value in these investments is reported by management based on readily available public market data, generally considered Level 1 valuations.

Alternative Investments Measured at Net Asset Value (NAV) per Share

Alternative funds are investments in securities where a readily verifiable fair value may not exist and/or is not available to management. Fair value of these investments is reported by management based on information provided by the investment managers as validated by management and its advisors and, as such, additional quantitative disclosures are not required. Values may be based on readily available public market data and values may be measured using NAV per share as a practical expedient. Investments that are measured using NAV have been categorized separately.

Pledges Receivable

Pledges receivable are recorded at the present value of the discounted future cash flows, based on current market interest rates on the date of the contribution. The carrying value of pledges receivable, therefore, approximates their fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Loans Receivable

Federal Perkins Loans Receivable

The interest rates charged on Perkins loans receivable are fixed by the U.S. Department of Education. The carrying value of these loans approximates fair value.

Kenyon College Loans Receivable

The interest rates charged on Kenyon College loans are fixed by the College and are consistent with market rates. Accordingly, the carrying amount reported approximates fair value.

Interests in Charitable Trusts

Contributions receivable from remainder trusts are valued based on inputs that are quoted prices in active markets which are used to estimate the future cash flows of the trust. The College's share of interests in perpetual trusts is recorded at fair market value. The College does not have the ability to liquidate these holdings and, as such, these funds are shown as Level 3 inputs.

Split Interest Agreements Payable

The carrying value of these accounts is actuarially determined based on the present value of the discounted estimated future cash flows using market interest rates on the date of contribution and, therefore, approximates fair value. The annual payments on the annuities range from $148 to $86,625.

Long-Term Debt

The fair value of the College's long-term debt, based on the College's current incremental borrowing rates for similar types of borrowing arrangements, approximates its carrying amount.

Interest Rate Swaps

The fair value of the interest rate swaps is based on projected interest rates for the duration of the swaps, values that, while observable in the market, are subject to adjustment due to pricing considerations for the specific instrument. The resulting fair values are generally considered Level 2 valuations.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The College's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

The following tables set forth by level within the fair value hierarchy the College's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of June 30, 2024 and 2023. The tables do not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Equity investments				
Common stocks	$ 9,306,931	$ -	$ -	$ 9,306,931
Mutual funds	61,330,566	-	-	61,330,566
Total equity investments	70,637,497	-	-	70,637,497
Fixed income - marketable funds	32,506,615	-	-	32,506,615
	$103,144,112	$ -	$ -	103,144,112
Investments measured at NAV (see Note 2)				528,111,373
				$631,255,485
Interests in charitable trusts			$ 3,524,673	$ 3,524,673
Liabilities				
Interest rate swaps		$ 724,657		$ 724,657

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Equity investments				
Common stocks	$ 7,090,236	$ -	$ -	$ 7,090,236
Mutual funds	41,831,851	-	-	41,831,851
Total equity investments	48,922,087	-	-	48,922,087
Fixed income - marketable funds	31,576,892	-	-	31,576,892
	$ 80,498,979	$ -	$ -	$ 80,498,979
Investments measured at NAV (see Note 2)				493,349,248
				$573,848,227
Interests in charitable trusts			$ 3,053,396	$ 3,053,396
Liabilities				
Interest rate swaps		$ 1,099,696		$ 1,099,696

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows for the years ended June 30, 2024 and 2023:

Interests in Charitable Trusts	2024	2023
Beginning balance	$ 3,053,396	$ 2,827,951
Additions	119,328	-
Distributions	(85,175)	(87,886)
Unrealized gain	437,124	313,331
	$ 3,524,673	$ 3,053,396

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

H. *Cash Equivalents* – The College considers investments with a maturity of three months or less when purchased to be cash equivalents on the consolidated statement of financial position and for purposes of preparing the consolidated statement of cash flows. The College maintains cash and cash equivalent balances at various financial institutions which, at times, may exceed federally insured limits and may exceed reported values due to outstanding checks.

I. *Interest Rate Swaps* – Derivative instruments (interest rate swaps) are recorded by the College on the consolidated statement of financial position at fair value, as described in Note 1.G. The College's interest rate swap agreements are used to manage exposure to interest rate movement by effectively changing the variable rates on the College's capital lease obligations to a fixed rate. The critical terms of the interest rate swap agreements and the interest-bearing debt associated with the swap agreements are similar. The interest rate swaps qualify and have been designated and accounted for as fair value hedges. Changes in fair market value of the interest rate swaps are recognized as a change in net assets on the consolidated statement of activities in the period of change, following GAAP guidance specific to not-for-profit organizations (see Note 8).

J. *Investments* – Investments are carried at fair value as described in Note 1.G. Investments received from donors as gifts are recorded at fair value at the date of gift. Investment return is recorded net of expenses and includes interest, dividends and both realized and unrealized gains and losses.

Note 1. Summary of Significant Accounting Policies (Continued)

J. *Investments (Continued)*

Alternative investments (measured at NAV) include interests in hedge funds, private equity, real estate and commodities funds. The College held alternative investments valued at $528,111,373 and $493,349,248, representing 44% of the total assets as of June 30, 2024 and 2023, respectively. Because alternative investments may not be entirely readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been reported had a ready market for such investments existed. Such differences could be material.

K. *Loans Receivable* – Loans receivable, which include Perkins and Kenyon College loans, are carried at unpaid principal balances, less an allowance for credit losses of $40,000 at June 30, 2024 and 2023. Periodic evaluation of the adequacy of the allowance for credit losses is based on past loan loss experience and current and future economic conditions. Interest income is recorded as monthly payments are received. Loans receivable are considered to be past due if a payment is not made within 30 days of the payment due date. Interest on past due loans is not accrued and recognized only to the extent cash payments are received.

L. *Accounts and Interest Receivable* – Student accounts receivable primarily consist of tuition, room and board and fees charges to students and are carried at face value. Accounts receivable also include balances due from grants and contracts. The College uses the expected credit loss method to estimate uncollectible receivables. The College separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance, the College develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future business and economic conditions.

Management has determined that any allowance would be immaterial to these financials statements. As such, no allowance for credit losses related to accounts receivable is recorded as of June 30, 2024.

M. *Interests in Charitable Trusts* – Irrevocable charitable remainder trusts and charitable lead trusts that are held in trust by others have been included in the College's accompanying consolidated financial statements as an asset and as contribution revenue as of the date the College is notified of its interest in the irrevocable trust.

N. *Property and Equipment, Net* – Acquisitions of property and equipment are stated at cost or at the fair market value of the properties when acquired by gift. It is the policy of the College to capitalize additions and, for replacements, to capitalize the incremental increase in cost of plant and equipment items. Maintenance, repairs and minor renewals are charged to expense when incurred.

The College recognizes depreciation on the straight-line method over the estimated useful life for each major category of assets. These estimated useful lives are summarized in the following table:

Land improvements	10-40 years
Buildings and building improvements	50 years
Equipment and furniture	3-10 years
Library books	25 years

Note 1. Summary of Significant Accounting Policies (Continued)

N. *Property and Equipment, Net (Continued)*

Collections and Works of Art – Collections are not capitalized under the provisions of ASC 958-605, *Revenue Recognition-Contributions Received*. All works of art and collections are held for public exhibition, education or research; are protected, kept unencumbered, cared for and preserved; and are subject to policies governing their use. Prior to ASC 958-605 adoption, the College did capitalize works of art and collections. At June 30, 2024 and 2023, the net book value of these items is $1,862,696 and is reflected as equipment on the consolidated statement of financial position.

Property and equipment consist of the following at June 30:

	2024	2023
Land and land improvements	$ 5,346,613	$ 4,524,736
Buildings and building improvements	534,110,049	514,194,857
Equipment and furniture	56,750,844	54,297,577
Library books	31,775,366	30,830,500
Construction work in progress	85,855,558	49,588,972
	713,838,430	653,436,642
Accumulated depreciation	(228,348,313)	(212,127,480)
Property and equipment, net	$ 485,490,117	$ 441,309,162

Depreciation expense for the years ended June 30, 2024 and 2023 was $16,424,884 and $15,176,797, respectively.

As of June 30, 2024, the College has outstanding commitments of $58,843,356 remaining for the construction of new facilities.

O. *Net Assets* – Net assets are classified into two categories: without donor restrictions, which result from the receipt of funds which have no donor-imposed restrictions related to the timing or use of the funds, and net assets with donor restrictions, which result from funds received with donor-imposed restrictions that limit the use of the asset. Some donor restrictions are temporary in nature, such as those resulting from timing differences between the receipt of funds and the incurrence of the related expenses. Other donor-imposed restrictions are permanent in nature where the funds are to be invested in perpetuity and only the income be utilized. These assets also include interests in perpetual trusts.

P. *Expiration of Donor-Imposed Restrictions* – The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

Note 1. Summary of Significant Accounting Policies (Continued)

P. *Expiration of Donor-Imposed Restrictions (Continued)*

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

Q. *Revenue Recognition* – The College recognizes revenue from student tuition and fees during the year in which the related academic services are provided and are displayed net of student financial aid on the consolidated statement of activities. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic term. In addition, the students have an option to room and board on the premises. The performance obligation of providing access to housing and meals is satisfied ratably over the academic term in which the student chooses to live on campus and purchase a meal plan. Payments are generally required prior to the beginning of the semester. All amounts received prior to the commencement of the fiscal year that pertain to the next fiscal year are deferred to the applicable period.

The College records contributions, cash and promises to give, when they are received unconditionally, at their fair value. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Federal and state contracts and grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2024, contributions approximating $1,943,476, of which no amounts have been received in advance, have not been recognized in the accompanying consolidated financial statements because the conditions have not yet been met.

R. *Allocation of Functional Expenses* – The costs of providing various programs and other activities have been summarized on a functional basis on the consolidated statement of activities and by natural classification on the consolidated statement of functional expenses. The consolidated statement of functional expenses reports certain categories of expenses that are attributable to more than one program or supporting function. Certain expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, operation and maintenance of plant and other expenses which are allocated based on either a percentage of full-time equivalents of employees assigned to various departments or a percentage of square footage of total space used by each department.

S. *Federal Income Taxes* – The Internal Revenue Service has determined that the College, the Kenyon Review, the Gund Gallery, the Kokosing Nature Preserve and the Philander Chase Conservancy are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as public charities described in Section 501(c)(3); accordingly, no provision for federal income taxes has been made in the consolidated financial statements. The Kenyon Inn Management Company is subject to federal income taxes, which for June 30, 2024 and 2023 were not significant to these consolidated financial statements. There were no unrecognized tax benefits as of June 30, 2024.

The income tax returns for all entities remain subject to examination by the Internal Revenue Service, as well as various state and local taxing authorities, generally for three years.

Note 1. Summary of Significant Accounting Policies (Continued)

T. *Operations* – The consolidated statement of activities includes a subtotal for the change in net assets from operating activities. This subtotal reflects revenues that the College and all consolidated entities received for operating purposes, including investment income derived from the College's endowment payout formula. Nonoperating activity reflects the change in appreciation/depreciation on long-term investments net of the amount appropriated using the endowment payout formula, contributions for endowment and plant purposes, gains or losses on the disposal of property and equipment, the net change in annuity and life income funds and other nonoperating revenues and expenses.

U. *Conditional Asset Retirement Obligations* – Management has considered the provisions of GAAP, specifically as it relates to its legal obligations to perform asset retirement activities on its existing properties. Management believes that there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the College may settle the obligations is unknown and cannot be estimated. As a result, management cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2024.

V. *Reclassifications* – Certain 2023 amounts have been reclassified to conform to the 2024 presentation.

W. *Contingencies* – The College is involved in litigation and is subject to certain claims that arise in the normal course of operations. In the opinion of management, the ultimate disposition of the litigation and claims will not have a material adverse effect on the College's operations or financial position.

X. *Recently Adopted Accounting Standards* – Effective July 1, 2023, the College adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, using a modified retrospective approach for all financial assets measured at amortized cost. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) model. The adoption of this standard did not have a material impact on the College's consolidated financial statements.

Y. *Subsequent Events* – The College has evaluated subsequent events through October 24, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2. Investments

The fair value of investments is as follows (refer to Note 1 for information related to fair values):

	June 30 2024	June 30 2023
Investments at fair value:		
Equity investments:		
Common stocks	$ 9,306,931	$ 7,090,236
Mutual funds	61,330,566	41,831,851
Alternative investments (measured at NAV):		
Hedge and alternative funds	263,966,105	258,877,173
Private equity	150,258,916	126,514,817
Real estate	32,055,861	28,325,006
Commodities	24,610,317	24,595,108
Total alternative investments	470,891,199	438,312,104
Total equity investments	541,528,696	487,234,191
Fixed income - marketable funds	32,506,615	31,576,892
Alternative funds (measured at NAV)	57,220,174	55,037,144
	89,726,789	86,614,036
	$ 631,255,485	$ 573,848,227

Investment funds in private equity funds and alternative investment classes are typically organized as limited partnerships. A unique characteristic of these structures is that the investment manager requests (or calls) capital commitments from the investors as investment opportunities arise and distributes capital only when investments are liquidated. Capital calls are typically made by the investment manager during years 1-5 of a fund's life while the majority of capital distributions do not occur until years 8-10 of a fund's life.

The College was obligated at June 30, 2024 to invest additional funds in limited partnership investments in the amount of $89,857,183 at the direction of the general partners. These capital calls may be funded through distributions from current limited partnerships, liquidations of investments currently held by the College, new gifts and/or available cash.

Due to the nature of alternative investments and the use of some limited partnerships and commingled vehicles in traditional asset classes (public equities and fixed income), the College contractually agrees to liquidity restrictions. The College, in response to this risk, closely monitors the liquidity of the portfolio. As of June 30, 2024, the following liquidity characteristics applied to the College's investments in private equity funds and alternative investments:

Liquid Within:	% of Investment Portfolio
1 year	44.7%
3 years	8.9%
Illiquid	46.4%

Note 2. Investments (Continued)

Illiquid investments represent those invested in real assets and private equity limited partnerships. There is a very limited secondary market for these interests and selling them would require considerable time. The College is not actively trying to sell any of its illiquid investments at this time.

Note 3. Endowment Funds

The College places great importance on risk reduction through asset allocation and style diversification. The College has interpreted the Ohio Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure from a donor-restricted endowment fund such amounts as the Board of Trustees determines is prudent, except as otherwise provided by the donor in a gift agreement. Factors considered in making investment and appropriation decisions for such funds are described below. The following are investment performance objectives for the portfolio:

The Investment Committee is charged by the Board of Trustees to oversee the investment process. For endowment funds, the objective is to achieve superior long-term total returns such that the requirements of the annual budget are met, all within the confines of reasonable risk. In this regard, specific responsibilities include the hiring, monitoring and changing of investment managers, performance monitoring, establishing asset classes, allocation targets and ranges and rebalancing strategies. As part of its overall mission, the Investment Committee maintains a detailed *Statement of Purpose and Policies* and it regularly reviews the appropriateness of the contents in light of the current investment environment. In conjunction with the Campus and Finance Committee of the Board of Trustees, the Investment Committee recommends to the full Board spending policies in respect to the annual distribution from endowment funds.

The College's endowment assets consist of two groupings: 1) those funds which can be pooled together for purposes of investment and payout and 2) those funds which by donor restriction, either as to investment or payout, must be separately invested. The assets of the pooled funds consist of all investment types disclosed in Note 2 and income is distributed based on a Board approved payout formula as described below. The endowment funds with donor restrictions generally consist of mutual funds and life insurance policies.

For the year ended June 30, 2024, the College utilized a spending formula to calculate the distribution out of its pooled investment portfolio. The formula is composed of two elements: 1) a market element adjusts annual endowment spending to the long-term sustainable target spending of 4.00% of the average actual market value of the endowment for the most recent three years. This element of the spending rate receives a 30% weighting in the spending rate calculation and 2) a spending element increases last year's spending rate by a factor for inflation (3.5%) plus budget growth (1.50%). This element of the spending rate receives a weight of 70%. The distributed earnings are considered appropriated for expenditure and recorded as net assets released from restrictions on the consolidated statement of activities as spent. The College has temporarily frozen the payout rate while slightly increasing the payout amount due to new cash gifts received during the year.

Effective June 30, 2019, the College's Board of Trustees voted to classify the unrestricted reserve fund as a board designated endowment fund. The payout from this unrestricted fund is determined annually in the budgeting process, and has historically averaged approximately 6% of the market value of the fund.

Note 3. Endowment Funds (Continued)

The College's endowment funds were as follows as of June 30, 2024 and 2023:

		With Donor Restrictions			
June 30, 2024	Without Donor Restrictions	Original Gift Amount	Accumulated Earnings	Total	Total
Endowment assets, beginning of year,	$255,727,450	$237,144,863	$ 74,504,136	$311,648,999	$567,376,449
Investment return:					
Investment income	1,029,084	117,880	1,679,591	1,797,471	2,826,555
Net appreciation (realized and unrealized)	32,547,426	181,405	42,068,627	42,250,032	74,797,458
Total investment return	33,576,510	299,285	43,748,218	44,047,503	77,624,013
Cash contributions	223,533	14,307,749	-	14,307,749	14,531,282
Appropriation of endowment assets for expenditure	(11,287,984)	-	(13,224,090)	(13,224,090)	(24,512,074)
Endowment assets, end of year	$278,239,509	$251,751,897	$105,028,264	$356,780,161	$635,019,670

		With Donor Restrictions			
June 30, 2023	Without Donor Restrictions	Original Gift Amount	Accumulated Earnings	Total	Total
Endowment assets, beginning of year,	$243,947,310	$221,409,566	$ 57,050,403	$278,459,969	$522,407,279
Investment return:					
Investment income	1,812,581	-	3,062,948	3,062,948	4,875,529
Net appreciation (depreciation) (realized and unrealized)	19,818,838	(50,346)	25,732,920	25,682,574	45,501,412
Total investment return	21,631,419	(50,346)	28,795,868	28,745,522	50,376,941
Cash contributions	1,802,260	15,785,643	-	15,785,643	17,587,903
Appropriation of endowment assets for expenditure	(11,653,539)	-	(11,342,135)	(11,342,135)	(22,995,674)
Endowment assets, end of year	$255,727,450	$237,144,863	$ 74,504,136	$311,648,999	$567,376,449

Note 3. Endowment Funds (Continued)

Based on the College's spending formula, as of June 30, 2024 and 2023, an additional $8,416,217 and $7,122,616, respectively, has been appropriated for expenditure out of accumulated earnings with donor restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as a reduction of net assets with donor restrictions. As of June 30, 2024 and 2023, endowment funds with market values of $1,097,771 and $3,210,213, respectively, were $82,071 and $99,072, respectively, below the original gift amount.

Note 4. Pledges Receivable

As of June 30, 2024 and 2023, the College had received unconditional promises to give as follows:

	2024	2023
Within one year	$ 8,852,779	$ 10,003,621
One to two years	10,997,092	6,617,006
Two to three years	1,327,910	13,621,176
Three to four years	1,275,733	1,134,558
Four to five years	186,500	8,619,249
More than five years	2,906,250	2,923,394
	25,546,264	42,919,004
Discount on long-term pledges	(1,712,248)	(3,918,535)
	$ 23,834,016	$ 39,000,469

The amounts are recorded at the present value of future cash flows discounted using rates for one to twenty-six year treasury securities ranging from 0.64% to 4.26%. Management provides for an allowance for doubtful pledges based upon an analysis of the outstanding pledges and past collection history. As of June 30, 2024, the allowance for uncollectible pledges was $10,562,210, which is reflected as a reduction in the receivables presented above. Due to changes in facts and circumstances during the year ended June 30, 2024, outstanding pledges of $10,475,108 were reserved for. The College is participating in ongoing discussions with the donor to make the College whole as of the date of these financial statements. Management deemed all other pledges to be fully collectable.

As of June 30, 2023, the College had received unconditional promises totaling $42,919,004 which is net of allowances for uncollectible pledges of $136,363. As of June 30, 2024, the discount on long-term pledges amounted to $3,918,535.

Note 5. Available Line of Credit

Under an unused and unsecured line of credit with a bank, the College may borrow up to $15,000,000 at a rate of 8.50% as of June 30, 2024.

Note 6. Guaranteed Loans

The College offers a home mortgage loan guarantee program to certain members of its faculty and administration. Under this program, the College guarantees 100% of the outstanding mortgage loans until such time as the outstanding amount on each loan is reduced to 70% of the original appraised value or contract price of the property, at which time the guarantee is released. Under the program, the College has the right to purchase the mortgage loans from the lenders in the event of default by an employee. As of June 30, 2024, the College has guaranteed mortgage loans aggregating $2,802,054. All loans were current as of June 30, 2024. The College deems it unlikely that any amount of the guarantee would be called by the banks.

Note 7. Retirement and Postretirement Benefit Plans

The College has a defined contribution retirement plan that covers substantially all employees. Eligible employees may contribute a percentage of their compensation. The College contributes 9.5% of the employee's compensation for all employees who contribute a minimum deferral of 3% or 5%, depending on the classification of the employee participating in the plan. The College's contributions to the plan were $4,408,785 and $4,220,836 during the years ended June 30, 2024 and 2023, respectively.

In addition to the College's defined contribution retirement plan, the College has two additional postretirement benefit plans. One plan provides certain health care benefits for retired employees. The College makes defined contributions to the plan on behalf of eligible employees who are 35 years of age or older and have completed at least one year of service. The College's contributions are limited to 25 years or the employee's separation from employment, whichever occurs first. The College contributed $899,240 and $981,302 for the years ended June 30, 2024 and 2023, respectively.

The second plan is a defined benefit postretirement plan which provides life insurance benefits applicable only to two groups: 1) grandfathered members of the collective bargaining unit who were active as of February 4, 1974 and 2) members of the faculty who retire under early retirement agreements with coverage to continue for a maximum of five years. Because of the short period of coverage for faculty members covered by this plan, the value of this benefit for them is not material to the calculation of the postretirement valuation and, therefore, has not been included. The College reserves the right to modify or terminate these retiree payments at any time. The amount of funding activity is determined at the discretion of management. Currently, the College has not funded any portion of the liability.

The College recognizes the underfunded status of the defined benefit plan on its consolidated statement of financial position, measured as the difference between the fair value of plan assets and the projected benefit obligation. The College recognizes the change in the funded status of the plan in the year in which the change occurs through net assets without donor restrictions.

Included in net assets without donor restrictions at June 30, 2024 and 2023 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized actuarial loss of $1,625,434 and $889,993, respectively, and unrecognized net prior service credit of $-0-. The contributions, actuarial loss and prior service credit expected to be recognized during the year ended June 30, 2025 are $776,510, $578,663 and $-0-, respectively.

Note 7. Retirement and Postretirement Benefit Plans (Continued)

The following sets forth the plan status with amounts reported in the College's consolidated financial statements:

	Fiscal Years Ended June 30	
	2024	2023
Net Periodic Postretirement Cost		
Service cost	$ 353,008	$ 337,614
Interest cost	307,727	289,668
Amortization of unrecognized loss	25,402	90,684
Total net periodic postretirement cost	$ 686,137	$ 717,966

	Fiscal Years Ended June 30	
	2024	2023
Change in Benefit Obligation		
Benefit obligation at beginning of year	$ 6,367,326	$ 6,647,182
Service cost	353,008	337,614
Interest cost	307,727	289,668
Actuarial loss (gain)	760,843	(573,655)
Plan participant contributions	78,996	71,420
Benefits paid	(714,726)	(404,903)
Benefit obligation at end of year	$ 7,153,174	$ 6,367,326

During 2010, the plan was amended to provide benefits to the spouse and/or children for 12 months following the death of the participant. Previously, benefits would continue indefinitely provided the spouse remained unmarried.

Estimated future benefit payments as of June 30, 2024 are as follows:

2025	$ 777,000
2026	737,000
2027	769,000
2028	802,000
2029	788,000
2030-34	3,493,000

Note 7. Retirement and Postretirement Benefit Plans (Continued)

	Fiscal Years Ended June 30	
	2024	2023
Actuarial Assumptions		
Weighted average discount rate:		
Expense for the year	5.32%	5.06%
Accumulated plan benefit obligation (at year-end)	5.06%	4.55%
Medical trend:		
For next year	8.30%	8.20%
Ultimate trend rate	4.50%	4.50%
Year reached	2033	2032

Note 8. Bonds Payable

As of June 30, 2024, the College has five revenue bonds issued with the Ohio Higher Educational Facility Commission (the Commission) to finance various building and improvement projects. The revenue bonds are collateralized by a security interest in the buildings and improvements comprising the various projects. The College has recorded buildings and improvements with a cost of $358,647,326 and accumulated depreciation of $125,598,775 as of June 30, 2024 and the liabilities as bonds payable. All revenues generated by the buildings and improvements comprising the various projects are pledged as collateral for retirement of the bonds.

Note 8. Bonds Payable (Continued)

Summary of Bonds Outstanding

The College's bonds outstanding are as follows as of June 30:

	2024	2023
2015 Revenue Bonds:		
Maturing through July 1, 2040 with rates ranging from 4.00% - 5.00%		
outstanding principal	$ 39,400,000	$ 39,400,000
unamortized premium	770,076	821,415
unamortized issuance costs	(281,956)	(298,541)
2016 Revenue Bonds:		
Maturing through July 1, 2044 with rates ranging from 3.25% to 5.00%		
outstanding principal	53,330,000	53,330,000
unamortized premium	2,243,016	2,362,651
unamortized issuance costs	(407,525)	(428,976)
2017 Revenue Bonds:		
Maturing through July 1, 2047 with rates ranging from 4.00% to 5.00%		
outstanding principal	60,230,000	61,620,000
unamortized premium	4,560,959	4,905,258
unamortized issuance costs	(513,104)	(535,413)
2020 Revenue Bonds:		
Maturing through July 1, 2044 with rates ranging from 4.00% to 5.00%		
outstanding principal	49,940,000	49,940,000
unamortized premium	7,163,884	7,606,124
unamortized issuance costs	(458,067)	(482,175)
2023 Revenue Bonds:		
Maturing through July 1, 2037 with rates ranging from 4.00% to 5.00%		
outstanding principal	41,255,000	41,255,000
unamortized premium	3,576,063	3,860,525
unamortized issuance costs	(505,253)	(528,218)
Total outstanding principal	244,155,000	245,545,000
Total unamortized premium/discount, net	18,313,998	19,555,973
Total unamortized issuance costs	(2,165,905)	(2,273,323)
Total bonds payable	$ 260,303,093	$ 262,827,650

Note 8. Bonds Payable (Continued)

Summary of Bonds Outstanding (Continued)

In July 2013, the College issued $43,610,000 of revenue bonds through the Commission. The proceeds of the April 2023 bond issue were used to refund the remaining outstanding principal of $43,610,000. During the year ended June 30, 2023, the loss on extinguishment of the July 2013 bond was $750,408.

In May 2015, the College issued $39,400,000 of revenue bonds through the Commission. The proceeds of the bonds were used to advance refund $37,535,000 of a previous bond issue and provided for issuance costs. The bonds were issued at a premium for a true interest cost of 4.19%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2038, 2039 and 2040.

In November 2016, the College issued $53,330,000 of revenue bonds through the Commission. The proceeds of the bonds were used to refund $48,640,000 of previous bond issues and provided for issuance costs. The bonds were issued at a premium for a true interest cost of 3.84%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2040, 2042 and 2044.

In December 2017, the College issued $68,730,000 of revenue bonds through the Commission. The proceeds of the bonds were used to pay the costs of and relating to constructing, furnishing and equipping library facilities and an academic quad, and other College academic, administrative and student resident facilities. The 2017 bonds were issued at a premium of $6,939,523 for a true interest cost of 3.80%. The bond premium is being amortized over the life of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2042 and 2047.

In April 2020, the College issued $49,940,000 of revenue bonds through the Commission. The proceeds of the bonds were used to refund the remaining outstanding principal of $56,985,000 of a previous bond issue. The bonds were issued at a premium of $9,042,175 for a true interest cost of 3.46%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption maturing on July 1, 2041 and 2044.

In April 2023, the College issued $41,255,000 of revenue bonds through the Commission. The proceeds of the bonds were used to refund the remaining outstanding principal of $43,610,000 of a previous bond issue. The bonds were issued at a premium of $3,996,435 for a true interest cost of 4.10%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2035, 2036 and 2037.

Payments made by the College on its bonds for the year ended June 30, 2024 were $11,339,488 of which $1,390,000 represented principal and $9,949,488 represented interest. Payments made by the College on its bonds for the year ended June 30, 2023 were $10,996,305 of which $1,320,000 represented principal and $9,676,305 represented interest.

Note 8. Bonds Payable (Continued)

Summary of Bonds Outstanding (Continued)

At June 30, 2024, future minimum payments by year and in the aggregate under these bonds payable consist of the following:

2025	$ 12,581,963
2026	12,583,963
2027	12,587,213
2028	12,586,463
2029	12,591,713
Remaining	349,637,085
	412,568,400
Amount representing interest	(168,413,400)
Fixed rate obligations outstanding	244,155,000
Unamortized premium/discount	18,313,998
Unamortized bond issuance costs	(2,165,905)
Fixed rate obligations outstanding	$ 260,303,093

Interest Rate Swap Agreements

As part of a strategy to manage the College's debt position over time and decrease variable rate risk, the College entered into an interest rate swap agreement in February 2006 in which the College pays a fixed rate, 3.514%, in exchange for receiving a variable rate which is indexed to SOFR and calculated on a notional amount of $57,600,000. The difference between the fixed interest rate and the variable interest rate is settled on a quarterly basis. The agreement terminates in February 2026.

At the time the 2010 bonds were issued, which refunded the College's variable rate bonds with fixed rate bonds, it would have cost the College approximately $5,700,000 to terminate the 2006 swap agreement. The College entered into a second interest rate swap agreement which is the reverse of the February 2006 swap. Under the terms of this agreement, the College pays a variable rate indexed to SOFR and receives a fixed payment of 2.67% on a notional amount of $57,600,000. This agreement also terminates in February 2026 and effectively finances the $5,700,000 over the remaining life of the initial swap agreement.

At June 30, 2024 and 2023, the net value of the swap agreements was a liability of $724,657 and $1,099,696, respectively. For the fiscal years ended June 30, 2024 and 2023, the College's interest expense was increased by $417,780 as a result of the interest rate swaps.

Note 9. Net Assets

Net assets without donor restrictions include funds functioning as endowment, as designated by the Board of Trustees, amounting to $278,239,509 and $255,727,450 at June 30, 2024 and 2023, respectively, which are subject to the College's investment and spending policies as described in Note 3.

Note 9. Net Assets (Continued)

Net assets with donor restrictions were restricted as follows:

	2024	2023
Net assets with donor restrictions		
Net assets subject to time restrictions:		
Pledges receivable restricted to capital or program	$ 7,570,681	$ 17,718,090
Net assets subject to purpose restrictions:		
Faculty and academic support	5,391,438	6,107,085
Student programs	667,261	416,800
Scholarships, prizes and awards	1,631,681	1,682,905
Plant improvements	73,687,956	40,426,160
Other programs	1,853,682	990,428
Total net assets subject to purpose restrictions	83,232,018	49,623,378
Net assets subject to spending policy and appropriation:		
Original gift amount	251,751,897	237,144,863
Pledges receivable restricted for endowment	16,263,335	21,282,379
Accumulated earnings	105,028,264	74,504,136
Total net assets subject to spending policy and appropriation	373,043,496	332,931,378
Net assets not subject to spending policy:		
Beneficial interest in trusts restricted in perpetuity	3,505,433	3,089,504
Beneficial interest in trusts held by others restricted in perpetuity	3,524,673	3,053,396
Beneficial interest in trusts	1,532,796	505,192
Loan funds	10,462,195	9,414,418
Total net assets not subject to spending policy	19,025,097	16,062,510
Total net assets with donor restrictions	$ 482,871,292	$ 416,335,356

Restricted net assets released from restrictions for the years ended June 30 were as follows:

	2024	2023
Restricted net assets released		
Unexpended endowment income and gifts and grants:		
Faculty and academic support	$ 6,769,855	$ 5,728,102
Student programs	636,102	689,492
Scholarships, prizes and awards	6,633,472	6,771,914
Plant improvements	5,207,104	144,274
Other programs	2,182,087	1,673,650
Gifts pending donor designation	7,500	36,417
Total restricted net assets released	$ 21,436,120	$ 15,043,849

Note 10. Liquidity and Availability of Financial Assets

The College regularly monitors liquidity required to meet its operating needs. The College has various sources of liquidity including cash and cash equivalents and investments. In addition to financial assets available to meet general expenditures over the next 12 months, the College strives to operate within a balanced budget and anticipates collecting revenues and using internal contingency funds sufficient to cover operating expenses. The College receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The College manages its financial assets available to meet general expenditures by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets and maintaining sufficient reserves to provide that future opportunities of a long-term nature can be acted upon. The College forecasts its future cash flows and monitors its liquidity and reserves on a routine basis. As described in Note 5, the College has a line of credit available for additional liquidity needs in short-term, emergency circumstances.

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year comprise the following:

	2024	2023
Cash and cash equivalents	$ 41,847,152	$ 39,370,910
Investments	631,255,485	573,848,227
Accounts and interest receivable	5,533,213	5,276,287
Present value of pledges receivable	23,834,016	39,000,469
Loans receivable	3,797,142	4,103,589
Interests in charitable trusts	3,524,673	3,053,396
Total financial assets	709,791,681	664,652,878
Less assets not available for general expenditure within one year:		
Pledges receivable due greater than one year or restricted to long-term purposes	(19,043,167)	(35,190,315)
Cash restricted by donor for long-term purposes	(1,943,014)	(1,861,522)
Revolving loan funds not available for general expenditure	(3,797,142)	(4,103,589)
Interests in charitable trusts, net of anticipated distributions	(3,439,498)	(2,965,510)
Donor-restricted endowment funds	(356,780,161)	(311,648,999)
Cash and investments designated by the Board for long-term investment	(278,239,509)	(255,727,450)
Add approved appropriations from donor and board designated funds	27,128,462	26,227,319
Financial assets available for general expenditure within one year	$ 73,677,652	$ 79,382,812

Note 11. Our Path Forward

In September 2017, the College received a $75 million gift from an anonymous donor as part of the Our Path Forward campaign. This gift will be used to support the College's academic programs. Three major priorities for the original $300 million comprehensive campaign include fundraising for endowed scholarships and professorships; support for internship and research opportunities, community-engaged learning and off-campus study; and increased capacity to adapt the College's campus for more innovative and collaborative learning and teaching. As part of the campaign, the West Quad Project will be a hub for 21st century learning and teaching and will allow the College to make significant progress toward a more physically accessible campus.

Coming during one of the most challenging times in memory, the generosity of 17,947 alumni, parents and friends has propelled the Our Path Forward campaign past its $300 million goal five months ahead of schedule. The Our Path Forward to the Bicentennial campaign goal was then increased to $500 million with a renewed emphasis on scholarships and financial aid.

The Our Path Forward to the Bicentennial campaign concluded on June 30, 2024 with $532 million in gifts and commitments from 22,886 donors.

In January 2021, an anonymous donor verbally committed $100 million to help fund construction of three apartment-style residence halls on South Campus, each with room for just over 100 students. As of June 30, 2024, the College has received $71 million towards the gift and, therefore, $29 million of the gift has not met the College's criteria to be recorded as revenue.

Note 12. CARES Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act, among other things, created the Higher Education Emergency Relief Fund (HEERF). The College received awards totaling $2,137,530, that are to be provided directly to students in the form of grants to help student families facing additional expenses related to the disruption of regular campus operations due to the coronavirus. The College distributed $43,974 and $749,320 to students during the years ended June 30, 2024 and 2023, respectively. As of December 31, 2023, all awarded HEERF funds have been distributed.